

1 HOUSE BILL NO. 467
 2 INTRODUCED BY KIMBLE
 3 BY REQUEST OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION
 4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING SCHOOL
 6 DISTRICTS TO CONTRACT FOR SPECIAL EDUCATION SERVICES WITH
 7 IN-STATE AND OUT-OF-STATE PROFIT-MAKING OR NONPROFIT
 8 INSTITUTIONS, REQUIRING SUPERINTENDENT OF PUBLIC INSTRUCTION
 9 APPROVAL OF THE AMOUNT OF SCHOOL DISTRICT CONTRACTS FOR
 10 SPECIAL EDUCATION SERVICES, AND PROHIBITING SCHOOL DISTRICTS
 11 FROM USING STATE SPECIAL EDUCATION FUNDS TO PURCHASE
 12 BUILDING SITES AND TO CONSTRUCT BUILDINGS: AMENDING SECTIONS
 13 75-7808 AND 75-7813.1, R.C.M. 1947; REPEALING SECTION
 14 75-7809, R.C.M. 1947; AND PROVIDING AN IMMEDIATE EFFECTIVE
 15 DATE."
 16
 17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 18 Section 1. Section 75-7808, R.C.M. 1947, is amended to
 19 read as follows:
 20 "75-7808. ~~Arranging attendance in another district~~
 21 Placement in lieu of a special education program. In lieu of
 22 providing special education in the district, the trustees
 23 may arrange for the attendance of a child in need of special
 24 education in a special education program approved by the
 25 superintendent of public instruction and offered ~~in another~~

1 ~~district within the state of Montana by a public or private~~
 2 ~~institution.~~ Arrangements for the attendance of a child in
 3 need of special education are not subject to the laws
 4 governing the attendance of pupils in schools outside the
 5 district ~~and no tuition shall be charged the district of~~
 6 ~~residence or the laws governing the attendance of pupils in~~
 7 ~~schools outside the state of Montana. Whenever the~~
 8 ~~attendance of a child at a special education program offered~~
 9 ~~by a public or private institution is arranged, the board of~~
 10 ~~trustees may negotiate the amount and manner of payment of~~
 11 ~~tuition subject to the approval of the superintendent of~~
 12 ~~public instruction. The amount of tuition approved by the~~
 13 ~~superintendent of public instruction shall be included as a~~
 14 ~~contracted service in 75-7813.1(f)(1)(b)(iv)(A)."~~
 15 Section 2. Section 75-7813.1, R.C.M. 1947, is amended
 16 to read as follows:
 17 "75-7813.1. Allowable cost schedule for special
 18 programs -- the superintendent of public instruction to make
 19 rules -- annual accounting. (1) For the purpose of
 20 determining the ~~maximum budget without a vote~~ for special
 21 education as defined in sections 75-6905(20) and 75-6905
 22 (21), the following schedule of allowable costs shall be
 23 followed by the school district in preparation of its
 24 special education budget for state aid request purposes and
 25 by the superintendent of public instruction in his review

1 and approval of the budget for the purposes of determining
 2 the amount of the ~~maximum-budget-without-a-vote~~ for special
 3 education for the district, and as used in this schedule,
 4 "full-time special pupil" and "regular ANB" are to be
 5 determined in accordance with sections 75-6902 and 75-6903.

6 (a) Administration; salaries, benefits, supplies and
 7 other expenses of the superintendent's office, the office of
 8 the board of trustees, and the business office including:

9 (i) salaries of professional administrative
 10 personnel--a portion of the entire cost corresponding to the
 11 portion of entire working time which each such person
 12 devotes to the special program;

13 (ii) salaries of clerical personnel for administrative
 14 staff--the amount allowed for budget purposes per full-time
 15 special pupil may not exceed the amount budgeted per regular
 16 ANB for the current year;

17 (iii) supplies and other expenses--the amount allowed
 18 for budget purposes per full-time special pupil may not
 19 exceed the amount budgeted per regular ANB for the current
 20 year.

21 (b) Instruction; salaries, benefits, supplies,
 22 textbooks and other expenses including:

23 (i) salaries of principals and clerical personnel--a
 24 portion of the entire cost corresponding to the portion of
 25 the entire working time which each such person devotes to

1 the special program but not to exceed one and seventy-five
 2 hundredths (1.75) times the amount budgeted per regular ANB
 3 for the current year;

4 (ii) salaries and benefits of special program
 5 teachers, regular program teachers, teacher aides, special
 6 education supervisors, audiologists, and speech and hearing
 7 clinicians--the entire cost if employed full-time in the
 8 special program. If such personnel are shared between
 9 special and regular programs--a portion of the entire cost
 10 corresponding to the entire working time which each such
 11 person devotes to the special program;

12 (iii) teaching supplies and textbooks--if used
 13 exclusively for special programs the actual total cost. If
 14 shared with regular programs--the amount allowed for budget
 15 purposes per full-time special pupil may not exceed the
 16 amount budgeted per regular ANB for the current year;

17 (iv) other expenses--with the exception of the
 18 following items, the amount allowed for budget purposes per
 19 full-time special pupil may not exceed the amount budgeted
 20 per regular ANB for the current year:

21 (A) Contracted services, including fees paid for
 22 professional advice and consultation regarding special
 23 students or the special program, and the delivery of special
 24 education services by nonprofit public or private agencies
 25 as provided for in 75-7802--the actual total cost.

1 (B) Transportation costs for special education
 2 personnel who must travel on an itinerant basis from school
 3 to school or district to district--the actual cost to the
 4 district calculated on the same mileage rate used by the
 5 district for other travel reimbursement purposes.

6 (c) Library services; salaries, books and periodicals
 7 and other expenses--the amount allowed for budget purposes
 8 per full-time special pupil may not exceed the amount
 9 budgeted per regular ANB for the current year.

10 (d) Supportive services; salaries, benefits and other
 11 expenses:

12 (i) salaries and benefits of professional supportive
 13 personnel--the entire cost if employed full-time in the
 14 special program. If such personnel are shared between
 15 special and regular programs--a portion of the entire cost
 16 corresponding to the entire working time which each such
 17 person devotes to the special program.

18 Professional supportive personnel may include
 19 counselors, social workers, psychologists, psychometrists,
 20 physicians, nurses, and physical and occupational
 21 therapists.

22 (ii) salaries and benefits of clerical personnel for
 23 professional personnel in supportive services--the entire
 24 cost if employed full-time in the special program. If such
 25 personnel are shared between special and regular programs--a

1 portion of the entire cost corresponding to the entire
 2 working time which each such person devotes to the special
 3 program;

4 (iii) other expenses--the amount allowed for budget
 5 purposes per full-time special pupil may not exceed the
 6 amount budgeted per regular ANB for the current year.

7 (e) Operation of plant; salaries, benefits, heat for
 8 buildings, utilities except heating, and other supplies and
 9 expenses--the superintendent of public instruction shall
 10 make regulations fixing a ratio for operation spending per
 11 full-time special pupil to such spending per current year's
 12 regular ANB. The proration shall be based on the ratio
 13 between the number of special pupils per class and the
 14 number of regular pupils per class and any other relevant
 15 factors.

16 (f) Maintenance of plant; salaries, benefits,
 17 replacements and parts, contracted services--the
 18 superintendent of public instruction shall make regulations
 19 fixing a ratio for maintenance spending per full-time
 20 special pupil to such spending per current year's regular
 21 ANB. The proration shall be based on the ratio between the
 22 number of special pupils per class and the number of regular
 23 pupils per class and any other relevant factors.

24 (g) School food services--the amount allowed for
 25 budget purposes per full-time special pupil may not exceed

1 the amount budgeted per regular ANB for the current year.

2 (h) Student body and auxiliary services; salaries and
 3 other expenses-- the amount allowed for budget purposes per
 4 full-time special pupil may not exceed the amount budgeted
 5 per regular ANB for the current year.

6 (i) Other current charges; insurance, rental of land
 7 and buildings, and other expenses:

8 (i) rental of land and buildings, when such premises
 9 meet all requirements of the board of public education and
 10 the department of health and environmental sciences--no such
 11 costs may be charged to the special program without specific
 12 authorization from the superintendent of public instruction
 13 unless the land and buildings are shared between the special
 14 and regular pupils, and the amount of the total cost that
 15 may be charged to the special program may not exceed
 16 whatever proportion the number of special full-time pupils
 17 are to the total enrollment of the school district of the
 18 previous year. Provided, however, that any school district
 19 renting land and buildings for special education purposes
 20 prior to the 1974-75 school year is not subject to this
 21 requirement, and will charge a portion of the total cost
 22 when shared with regular programs, to be prorated based on
 23 the amount of building space used by each type of program;

24 (ii) insurance--the superintendent of public
 25 instruction shall make regulations fixing a ratio for

1 insurance spending per full-time special pupil to such
 2 spending per current year's regular ANB. The proration shall
 3 be based on the ratio between the number of special pupils
 4 per class and the number of regular pupils per class and any
 5 other relevant factors;

6 (iii) all other expenses--the amount allowed for
 7 budget purposes per full-time special pupil for a school
 8 year may not exceed the amount budgeted per regular ANB for
 9 the current school year.

10 (j) Capital outlay; ~~sites, buildings,~~ remodeling and
 11 improvements, equipment and other:

12 (i) classroom remodeling and improvements for a
 13 program for physically handicapped students--the actual
 14 total cost; all other remodeling and improvements--the
 15 amount allowed for budget purposes per full-time special
 16 pupil for a school year may not exceed the amount budgeted
 17 per regular ANB for the current school year;

18 (ii) equipment--the actual total cost;

19 ~~(iii) sites, buildings--no such costs may be charged~~
 20 ~~to the special program unless the sites and/or buildings are~~
 21 ~~shared between the special and regular students, and the~~
 22 ~~amount of the total cost that may be charged to the special~~
 23 ~~program may not exceed whatever proportion the number of~~
 24 ~~special full-time pupils are to the total full-time~~
 25 ~~enrollment of the school.~~

1 ~~(iv)~~(iii) other--the amount allowed for budget purposes
2 may not exceed the amount budgeted per regular ANB for the
3 current year.

4 (k) Room and board costs when the special pupil has to
5 attend a program at such a distance from his home that
6 commuting is undesirable as determined by the superintendent
7 of public instruction.

8 (2) The superintendent of public instruction shall,
9 prior to the time when a district must have prepared its
10 budget for the 1975-1976 year, promulgate rules and
11 regulations, in accordance with the policies of the board of
12 public education, for:

13 (a) keeping necessary records for supportive and
14 administrative personnel and any personnel shared between
15 special and regular programs;

16 (b) defining the total special program caseload that
17 shall be assigned to specific support persons and the kinds
18 of professional specialties to be considered relevant to the
19 program before the district may count an allowable cost
20 under subsection (1)(d) of this section;

21 (c) defining the kinds or types of equipment whose
22 costs may be counted under subsections (1) (j) (ii) of this
23 section; and

24 (d) prescribing formulas for calculating the portion
25 of operation and maintenance costs, insurance, building and

1 rental costs properly allocable to the special programs, as
2 prescribed by subsections (1)(e), (1)(f), (1)(i)(i), and
3 (1)(i)(ii) of this section.

4 (3) An annual accounting of all expenditures of school
5 district general fund monies for special education shall be
6 made by the district trustees on forms furnished by the
7 superintendent of public instruction. The superintendent of
8 public instruction shall make rules for such accounting."

9 Section 3. Repealer. Section 75-7809, R.C.M. 1947, is
10 repealed.

11 Section 4. Effective date. This act is effective on
12 its passage and approval.

-End-

STATE OF MONTANA

REQUEST NO. 515-77

FISCAL NOTE

Form BD-15

In compliance with a written request received February 14, 19 77, there is hereby submitted a Fiscal Note for House Bill 467 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 467 expands the entities with which school districts can contract for special education services to include profit and nonprofit organizations, requires Superintendent of Public Instruction approval of such contracts, and prohibits school districts from using state special education funds for purchase of building sites and buildings.

ASSUMPTIONS:

1. Increased competition with contractors will reduce costs by an estimated 10% for institutional placements and 13.5% for contracted personal services.
2. Contracted services for 25 institutional placements and 30 professional personal services will exist for FY 78 and FY 79.
3. Estimated expenditures for special education sites and buildings for FY 78 and FY 79 will be \$4,500 per year (such expenditure could potentially be much greater).

FISCAL IMPACT:

	<u>FY 78</u>	<u>FY 79</u>
Estimated decrease in state expenditures		
Contracted services	\$103,500	\$103,500
Building acquisition	<u>4,500</u>	<u>4,500</u>
Reduction in expenditures due to proposed legislation	<u>\$108,000</u>	<u>\$108,000</u>

LOCAL IMPACT:

Assuming all projected capital outlay for special education is required, the reduction of \$4,500 per year in state expenditures would have to be made up by local expenditures.

TECHNICAL NOTE:

The drafter of the bill did not intend to include the words "as provided for in 75-7808" on page 4, line 25.

Richard L. Sawyer
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-18-77