

HOUSE BILL NO. 549

INTRODUCED BY COBB

BY REQUEST OF THE OFFICE OF PUBLIC INSTRUCTION

IN THE HOUSE

January 29, 1985	Introduced and referred to Committee on Education and Cultural Resources.
February 19, 1985	Committee recommend bill do pass. Report adopted. Bill printed and placed on members' desks.
February 20, 1985	Second reading, do pass. Considered correctly engrossed.
February 21, 1985	Third reading, passed. Transmitted to Senate.

IN THE SENATE

February 22, 1985	Introduced and referred to Committee on Education and Cultural Resources.
March 22, 1985	Committee recommend bill be concurred in. Report adopted.
March 23, 1985	Second reading, concurred in.
March 26, 1985	Third reading, concurred in. Ayes, 50; Noes, 0. Returned to House.

IN THE HOUSE

March 27, 1985

Received from Senate.

Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 549
 2 INTRODUCED BY Ubb
 3 BY REQUEST OF THE OFFICE OF PUBLIC INSTRUCTION

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY CLARIFY
 6 CERTAIN LAWS RELATING TO SCHOOL DISTRICT FINANCE AND BUDGET
 7 PROCEDURES; AMENDING SECTIONS 20-3-106, 20-3-331, 20-9-333,
 8 20-9-335, 20-9-348, 20-9-351, AND 20-9-805, MCA; AND
 9 PROVIDING AN IMMEDIATE EFFECTIVE DATE."

10
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 20-3-106, MCA, is amended to read:

13 "20-3-106. Supervision of schools -- powers and
 14 duties. The superintendent of public instruction has the
 15 general supervision of the public schools and districts of
 16 the state, and he shall perform the following duties or acts
 17 in implementing and enforcing the provisions of this title:

18 (1) resolve any controversy resulting from the
 19 proration of costs by a joint board of trustees under the
 20 provisions of 20-3-362;

21 (2) issue, renew, or deny teacher certification and
 22 emergency authorizations of employment;

23 (3) negotiate reciprocal tuition agreements with other
 24 states in accordance with the provisions of 20-5-314;

25 (4) serve on the teachers' retirement board in

1 accordance with the provisions of 2-15-1010;

2 (5) approve or disapprove the orders of a high school
 3 boundary commission in accordance with the provisions of
 4 20-6-311;

5 (6) approve or disapprove the opening or reopening of
 6 a school in accordance with the provisions of 20-6-502,
 7 20-6-503, 20-6-504, or 20-6-505;

8 (7) approve or disapprove school isolation within the
 9 limitations prescribed by 20-9-302;

10 (8) generally supervise the school budgeting
 11 procedures prescribed by law in accordance with the
 12 provisions of 20-9-102 and prescribe the school budget
 13 format in accordance with the provisions of 20-9-103 and
 14 20-9-506;

15 (9) establish a system of communication for
 16 calculating joint district revenues in accordance with the
 17 provisions of 20-9-151;

18 (10) approve or disapprove the adoption of a district's
 19 emergency budget resolution under the conditions prescribed
 20 in 20-9-163 and publish rules for an application for
 21 additional state aid for an emergency budget in accordance
 22 with the approval and disbursement provisions of 20-9-166;

23 (11) generally supervise the school financial
 24 administration provisions as prescribed by 20-9-201(2);

25 (12) prescribe and furnish the annual report forms to

1 enable the districts to report to the county superintendent
 2 in accordance with the provisions of 20-9-213(5) and the
 3 annual report forms to enable the county superintendents to
 4 report to the superintendent of public instruction in
 5 accordance with the provisions of 20-3-209;

6 (13) approve, disapprove, or adjust an increase of the
 7 average number belonging (ANB) in accordance with the
 8 provisions of 20-9-313 and 20-9-314;

9 (14) distribute state equalization aid in support of
 10 the foundation program in accordance with the provisions of
 11 20-9-342, 20-9-346, and 20-9-347;

12 ~~{15} estimate the statewide equalization level for the~~
 13 ~~foundation program in accordance with the provisions of~~
 14 ~~20-9-348;~~

15 {16}{15} distribute state impact aid in accordance with
 16 the provisions of 20-9-304;

17 {17}{16} provide for the uniform and equal provision of
 18 transportation by performing the duties prescribed by the
 19 provisions of 20-10-112;

20 {18}{17} approve or disapprove an adult education
 21 program for which a district proposes to levy a tax in
 22 accordance with the provisions of 20-7-705;

23 {19}{18} request, accept, deposit, and expend federal
 24 moneys in accordance with the provisions of 20-9-603;

25 {20}{19} authorize the use of federal moneys for the

1 support of an interlocal cooperative agreement in accordance
 2 with the provisions of 20-9-703 and 20-9-704;

3 {21}{20} prescribe the form and contents of and approve
 4 or disapprove interstate contracts in accordance with the
 5 provisions of 20-9-705;

6 {22}{21} approve or disapprove the conduct of school on
 7 a Saturday or on pupil-instruction-related days in
 8 accordance with the provisions of 20-1-303 and 20-1-304;

9 {23}{22} recommend standards of accreditation for all
 10 schools to the board of public education and evaluate
 11 compliance with such standards and recommend accreditation
 12 status of every school to the board of public education in
 13 accordance with the provisions of 20-7-101 and 20-7-102;

14 {24}{23} collect and maintain a file of curriculum
 15 guides and assist schools with instructional programs in
 16 accordance with the provisions of 20-7-113 and 20-7-114;

17 {25}{24} establish and maintain a library of visual,
 18 aural, and other educational media in accordance with the
 19 provisions of 20-7-201;

20 {26}{25} license textbook dealers and initiate
 21 prosecution of textbook dealers violating the law in
 22 accordance with the provisions of the textbooks part of this
 23 title;

24 {27}{26} as the governing agent and executive officer
 25 of the state of Montana for vocational education, adopt the

1 policies prescribed by and in accordance with the provisions
2 of 20-7-301;

3 ~~†28†~~(27) consider applications for the designation of a
4 postsecondary vocational-technical center in accordance with
5 the provisions of 20-7-311;

6 ~~†29†~~(28) establish a fund for the handling of
7 postsecondary vocational-technical center fees in accordance
8 with the provisions of 20-7-333;

9 ~~†30†~~(29) supervise and coordinate the conduct of
10 special education in the state in accordance with the
11 provisions of 20-7-403;

12 ~~†31†~~(30) administer the traffic education program in
13 accordance with the provisions of 20-7-502;

14 ~~†32†~~(31) administer the school food services program in
15 accordance with the provisions of 20-10-201, 20-10-202, and
16 20-10-203;

17 ~~†33†~~(32) review school building plans and
18 specifications in accordance with the provisions of
19 20-6-622;

20 ~~†34†~~(33) prescribe the method of identification and
21 signals to be used by school safety patrols in accordance
22 with the provisions of 20-1-408; and

23 ~~†35†~~(34) perform any other duty prescribed from time to
24 time by this title, any other act of the legislature, or the
25 policies of the board of public education."

1 Section 2. Section 20-3-331, MCA, is amended to read:

2 "20-3-331. Purchase of liability insurance. The
3 trustees of any district may purchase insurance coverage for
4 the district, trustees, and employees against liability for
5 the death, injury, or disability of any person or damage to
6 property. ~~If such insurance is purchased, the trustees shall~~
7 ~~pay the insurance premium cost from the general fund. The~~
8 ~~provisions of 2-9-184 shall apply to the provisions of this~~
9 ~~section."~~

10 Section 3. Section 20-9-333, MCA, is amended to read:

11 "20-9-333. Basic special levy and other revenues for
12 county equalization of high school district foundation
13 program. (1) It shall be the duty of the county
14 commissioners of each county to levy an annual basic special
15 tax for high schools of 17 mills on the dollar of the
16 taxable value of all taxable property within the county for
17 the purposes of local and state foundation program support.
18 The revenue to be collected from this levy shall be
19 apportioned to the support of the foundation programs of
20 high school districts in the county and to the state special
21 revenue fund, state equalization aid account, in the
22 following manner:

23 (a) In order to determine the amount of revenue raised
24 by this levy which is retained by the county, the estimated
25 revenues identified in subsections (2)(a) and (2)(b) below

1 shall be subtracted from the sum of the county's high school
2 tuition obligation and the total of the foundation programs
3 of all high school districts of the county.

4 (b) If the basic levy prescribed by this section
5 produces more revenue than is required to finance the
6 difference determined above, the county commissioners shall
7 order the county treasurer to remit the surplus to the state
8 treasurer for deposit to the state special revenue fund,
9 state equalization aid account, not later than June 1 of the
10 fiscal year for which the levy has been set.

11 (2) The proceeds realized from the county's portion of
12 the levy prescribed in this section and the revenues from
13 the following sources shall be used for the equalization of
14 the high school district foundation programs of the county
15 as prescribed in 20-9-334, and a separate accounting shall
16 be kept of these proceeds by the county treasurer in
17 accordance with 20-9-212(1):

18 (a) any money remaining at the end of the immediately
19 preceding school fiscal year in the county treasurer's
20 account accounts for ~~deposit-of-the-proceeds-from--the--levy~~
21 the various sources of revenue established in this section;
22 and

23 (b) any federal or state moneys, including anticipated
24 motor vehicle fees and reimbursement under the provisions of
25 61-3-532 and 61-3-536, distributed to the county as a

1 payment in lieu of the property taxation established by the
2 county levy required by this section."

3 Section 4. Section 20-9-335, MCA, is amended to read:

4 "20-9-335. Formula for apportionment of county
5 equalization moneys. (1) After making such deductions
6 prescribed in 20-9-334, the county superintendent shall
7 apportion the remaining amount of moneys available in the
8 basic county tax account to the several public elementary
9 districts of the county and in the basic special tax for
10 high schools account to the several public secondary
11 districts of the county in proportion to their needs under
12 the foundation program in accordance with the following
13 procedure:

14 (a) determine the percentage that the county
15 equalization moneys available for the support of the
16 foundation programs of the public elementary districts in
17 the county is of the total amount of the foundation programs
18 of all public elementary districts;

19 (b) multiply the foundation program amount of each
20 public elementary district by the percentage determined in
21 subsection (1)(a) above to determine the portion of the
22 county equalization moneys available to each public
23 elementary district.

24 (2) The above procedure shall also be applied for
25 public secondary districts.

1 (3) No territory situated within a county shall be
 2 excluded from the apportionment of the county equalization
 3 moneys under this section solely because such territory lies
 4 within the boundaries of a joint district. Cash balances to
 5 the credit of any district at the end of a school fiscal
 6 year shall not be considered in the apportionment procedure
 7 prescribed in this section.

8 ~~{4}--When--the--total--amount--of--the--available--county~~
 9 ~~moneys--for--apportionment--under--this--section--is--greater--than~~
 10 ~~the--amount--of--money--to--be--apportioned--under--the~~
 11 ~~apportionment--procedure--prescribed--by--this--section,--the~~
 12 ~~excess--amount--of--county--moneys--shall--be--retained--by--the~~
 13 ~~county--to--be--considered--as--financing--during--the--ensuing~~
 14 ~~school--fiscal--year--under--the--requirements--of--20-9-331{2}{d}~~
 15 ~~or--20-9-333{2}{a}.~~

16 {5}{4} The county equalization moneys apportioned
 17 under these procedures shall constitute the first source of
 18 revenue in calculating the financing of the public
 19 elementary and secondary district foundation program. The
 20 county superintendent shall use the apportionment procedure
 21 prescribed in this section in computing the estimated
 22 revenues for the financing of the ensuing year's foundation
 23 program for budgeting purposes."

24 Section 5. Section 20-9-348, MCA, is amended to read:
 25 "20-9-348. Estimation of ~~state-equalization-level--and~~

1 state equalization aid for budget purposes. {1} The
 2 apportionment of state equalization aid shall be the third
 3 second source of revenue in calculating the financing of the
 4 elementary district foundation program, and ~~it--shall--be--the~~
 5 ~~second--source--of--revenue--in--calculating--the--financing--of~~ the
 6 high school district foundation program. In order to allow
 7 for the estimation of the amount of money to be realized
 8 from this source of revenue when the county superintendent
 9 is estimating the general fund budget revenues, the
 10 ~~superintendent--of--public--instruction--shall--annually--estimate~~
 11 ~~a--uniform--percentage--of--each--district's--foundation--program~~
 12 ~~which~~ county superintendent shall consider that the state
 13 foundation program revenues and county equalization moneys,
 14 together, will be capable of financing 100% of the
 15 foundation program. ~~Such--estimate--shall--be--called--the~~
 16 ~~"state--equalization--level"--and--shall--be--based--on--the--best~~
 17 ~~available--data--and--calculated--according--to--the--allocation~~
 18 ~~procedure--provided--in--20-9-347.~~

19 {2}--The--superintendent--of--public--instruction--shall
 20 notify--each--county--superintendent--of--the--state--equalization
 21 level--estimate--by--July--1.--The--county--superintendent--shall
 22 use--such--estimated--state--equalization--level--in--establishing
 23 the--budget--estimate--of--the--financing--available--for--each
 24 district's--foundation--program--for--the--ensuing--school--fiscal
 25 year."

1 Section 6. Section 20-9-351, MCA, is amended to read:

2 "20-9-351. Funding of deficiency in state equalization
3 aid. If the ~~estimated-state-equalization~~ foundation program
4 level made under the provisions of 20-9-348 is less than
5 100% or if the permissive funding level made under the
6 provisions of 20-9-352 is less than 100%, it shall be the
7 duty of the superintendent of public instruction to request
8 the budget director to submit a request for a supplemental
9 appropriation in the second year of the biennium that would
10 be sufficient to complete the funding of the foundation
11 programs prescribed under 20-9-348 and of the permissive
12 programs prescribed under 20-9-352 of the elementary or
13 secondary schools, or both, for the current biennium."

14 Section 7. Section 20-9-805, MCA, is amended to read:

15 "20-9-805. Rate of reduction in annual apportionment
16 entitlement. (1) For each school day short of the minimum
17 number of school days required by law that a school district
18 fails to conduct by reason of one or more unforeseen
19 ~~emergencies or-by-reason-of-any-other-cause--and--for--which~~
20 ~~the--school-district-is-not-entitled-to-apportionment-credit~~
21 as defined in 20-9-802, the superintendent of public
22 instruction shall reduce the equalization apportionment and
23 entitlement of the district for that school year by 1/180th.

24 (2) Kindergarten and grade 1 through 12 programs shall
25 be considered separately for the purpose of computing

1 compliance with minimum school day requirements and any loss
2 of apportionment."

3 NEW SECTION. Section 8. Effective date. This act is
4 effective on passage and approval.

-End-

APPROVED BY COMM. ON EDUCATION AND CULTURAL RESOURCES

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3 BY REQUEST OF THE OFFICE OF PUBLIC INSTRUCTION

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY CLARIFY
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7 PROCEDURES; AMENDING SECTIONS 20-3-106, 20-3-331, 20-9-333,
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19 proration of costs by a joint board of trustees under the
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21 (2) issue, renew, or deny teacher certification and
22 emergency authorizations of employment;

23 (3) negotiate reciprocal tuition agreements with other
24 states in accordance with the provisions of 20-5-314;

25 (4) serve on the teachers' retirement board in

1 accordance with the provisions of 2-15-1010;

2 (5) approve or disapprove the orders of a high school
3 boundary commission in accordance with the provisions of
4 20-6-311;

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6 a school in accordance with the provisions of 20-6-502,
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9 limitations prescribed by 20-9-302;

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11 procedures prescribed by law in accordance with the
12 provisions of 20-9-102 and prescribe the school budget
13 format in accordance with the provisions of 20-9-103 and
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16 calculating joint district revenues in accordance with the
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19 emergency budget resolution under the conditions prescribed
20 in 20-9-163 and publish rules for an application for
21 additional state aid for an emergency budget in accordance
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7 average number belonging (ANB) in accordance with the
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10 the foundation program in accordance with the provisions of
11 20-9-342, 20-9-346, and 20-9-347;

12 ~~(15) estimate the statewide equalization level for the~~
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14 ~~20-9-348;~~

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18 transportation by performing the duties prescribed by the
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20 (18) approve or disapprove an adult education
21 program for which a district proposes to levy a tax in
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15 guides and assist schools with instructional programs in
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20 (26) license textbook dealers and initiate
21 prosecution of textbook dealers violating the law in
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24 (27) as the governing agent and executive officer
25 of the state of Montana for vocational education, adopt the

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3 ~~(26)~~(27) consider applications for the designation of a
4 postsecondary vocational-technical center in accordance with
5 the provisions of 20-7-311;

6 ~~(29)~~(28) establish a fund for the handling of
7 postsecondary vocational-technical center fees in accordance
8 with the provisions of 20-7-333;

9 ~~(30)~~(29) supervise and coordinate the conduct of
10 special education in the state in accordance with the
11 provisions of 20-7-403;

12 ~~(31)~~(30) administer the traffic education program in
13 accordance with the provisions of 20-7-502;

14 ~~(32)~~(31) administer the school food services program in
15 accordance with the provisions of 20-10-201, 20-10-202, and
16 20-10-203;

17 ~~(33)~~(32) review school building plans and
18 specifications in accordance with the provisions of
19 20-6-622;

20 ~~(34)~~(33) prescribe the method of identification and
21 signals to be used by school safety patrols in accordance
22 with the provisions of 20-1-408; and

23 ~~(35)~~(34) perform any other duty prescribed from time to
24 time by this title, any other act of the legislature, or the
25 policies of the board of public education."

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4 the district, trustees, and employees against liability for
5 the death, injury, or disability of any person or damage to
6 property. ~~If such insurance is purchased, the trustees shall~~
7 ~~pay the insurance premium cost from the general fund. The~~
8 ~~provisions of 2-9-104 shall apply to the provisions of this~~
9 ~~section."~~

10 Section 3. Section 20-9-333, MCA, is amended to read:

11 "20-9-333. Basic special levy and other revenues for
12 county equalization of high school district foundation
13 program. (1) It shall be the duty of the county
14 commissioners of each county to levy an annual basic special
15 tax for high schools of 17 mills on the dollar of the
16 taxable value of all taxable property within the county for
17 the purposes of local and state foundation program support.
18 The revenue to be collected from this levy shall be
19 apportioned to the support of the foundation programs of
20 high school districts in the county and to the state special
21 revenue fund, state equalization aid account, in the
22 following manner:

23 (a) In order to determine the amount of revenue raised
24 by this levy which is retained by the county, the estimated
25 revenues identified in subsections (2)(a) and (2)(b) below

1 shall be subtracted from the sum of the county's high school
2 tuition obligation and the total of the foundation programs
3 of all high school districts of the county.

4 (b) If the basic levy prescribed by this section
5 produces more revenue than is required to finance the
6 difference determined above, the county commissioners shall
7 order the county treasurer to remit the surplus to the state
8 treasurer for deposit to the state special revenue fund,
9 state equalization aid account, not later than June 1 of the
10 fiscal year for which the levy has been set.

11 (2) The proceeds realized from the county's portion of
12 the levy prescribed in this section and the revenues from
13 the following sources shall be used for the equalization of
14 the high school district foundation programs of the county
15 as prescribed in 20-9-334, and a separate accounting shall
16 be kept of these proceeds by the county treasurer in
17 accordance with 20-9-212(1):

18 (a) any money remaining at the end of the immediately
19 preceding school fiscal year in the county treasurer's
20 ~~account accounts for deposit of the proceeds from the levy~~
21 the various sources of revenue established in this section;
22 and

23 (b) any federal or state moneys, including anticipated
24 motor vehicle fees and reimbursement under the provisions of
25 61-3-532 and 61-3-536, distributed to the county as a

1 payment in lieu of the property taxation established by the
2 county levy required by this section."

3 Section 4. Section 20-9-335, MCA, is amended to read:

4 "20-9-335. Formula for apportionment of county
5 equalization moneys. (1) After making such deductions
6 prescribed in 20-9-334, the county superintendent shall
7 apportion the remaining amount of moneys available in the
8 basic county tax account to the several public elementary
9 districts of the county and in the basic special tax for
10 high schools account to the several public secondary
11 districts of the county in proportion to their needs under
12 the foundation program in accordance with the following
13 procedure:

14 (a) determine the percentage that the county
15 equalization moneys available for the support of the
16 foundation programs of the public elementary districts in
17 the county is of the total amount of the foundation programs
18 of all public elementary districts;

19 (b) multiply the foundation program amount of each
20 public elementary district by the percentage determined in
21 subsection (1)(a) above to determine the portion of the
22 county equalization moneys available to each public
23 elementary district.

24 (2) The above procedure shall also be applied for
25 public secondary districts.

1 (3) No territory situated within a county shall be
 2 excluded from the apportionment of the county equalization
 3 moneys under this section solely because such territory lies
 4 within the boundaries of a joint district. Cash balances to
 5 the credit of any district at the end of a school fiscal
 6 year shall not be considered in the apportionment procedure
 7 prescribed in this section.

8 ~~{4}--When--the--total--amount--of--the--available--county~~
 9 ~~moneys--for--apportionment--under--this--section--is--greater--than~~
 10 ~~the--amount--of--money--to--be--apportioned--under--the~~
 11 ~~apportionment--procedure--prescribed--by--this--section,--the~~
 12 ~~excess--amount--of--county--moneys--shall--be--retained--by--the~~
 13 ~~county--to--be--considered--as--financing--during--the--ensuing~~
 14 ~~school--fiscal--year--under--the--requirements--of--20-9-331{2}{d}~~
 15 ~~or--20-9-333{2}{a}.~~

16 {5}{4} The county equalization moneys apportioned
 17 under these procedures shall constitute the first source of
 18 revenue in calculating the financing of the public
 19 elementary and secondary district foundation program. The
 20 county superintendent shall use the apportionment procedure
 21 prescribed in this section in computing the estimated
 22 revenues for the financing of the ensuing year's foundation
 23 program for budgeting purposes."

24 Section 5. Section 20-9-348, MCA, is amended to read:
 25 "20-9-348. Estimation of ~~state-equalization-level--and~~

1 state equalization aid for budget purposes. ~~{1}~~ The
 2 apportionment of state equalization aid shall be the ~~third~~
 3 second source of revenue in calculating the financing of the
 4 elementary district foundation program, ~~and it shall be the~~
 5 ~~second-source-of-revenue-in-calculating-the-financing-of~~ the
 6 high school district foundation program. In order to allow
 7 for the estimation of the amount of money to be realized
 8 from this source of revenue when the county superintendent
 9 is estimating the general fund budget revenues, the
 10 ~~superintendent-of-public-instruction-shall-annually-estimate~~
 11 ~~a-uniform-percentage-of-each-district's--foundation--program~~
 12 ~~which county superintendent shall consider that the state~~
 13 foundation program revenues and county equalization moneys,
 14 together, will be capable of financing 100% of the
 15 foundation program. ~~Such--estimate--shall--be--called--the~~
 16 ~~"state--equalization--level"--and--shall--be--based--on--the--best~~
 17 ~~available--data--and--calculated--according--to--the--allocation~~
 18 ~~procedure--provided--in--20-9-347.~~

19 ~~{2}--The--superintendent--of--public--instruction--shall~~
 20 ~~notify--each--county--superintendent--of--the--state--equalization~~
 21 ~~level--estimate--by--July--1.--The--county--superintendent--shall~~
 22 ~~use--such--estimated--state--equalization--level--in--establishing~~
 23 ~~the--budget--estimate--of--the--financing--available--for--each~~
 24 ~~district's--foundation--program--for--the--ensuing--school--fiscal~~
 25 ~~year."~~

1 Section 6. Section 20-9-351, MCA, is amended to read:

2 "20-9-351. Funding of deficiency in state equalization
3 aid. If the ~~estimated-state-equalization foundation program~~
4 level made under the provisions of 20-9-348 is less than
5 100% or if the permissive funding level made under the
6 provisions of 20-9-352 is less than 100%, it shall be the
7 duty of the superintendent of public instruction to request
8 the budget director to submit a request for a supplemental
9 appropriation in the second year of the biennium that would
10 be sufficient to complete the funding of the foundation
11 programs prescribed under 20-9-348 and of the permissive
12 programs prescribed under 20-9-352 of the elementary or
13 secondary schools, or both, for the current biennium."

14 Section 7. Section 20-9-805, MCA, is amended to read:

15 "20-9-805. Rate of reduction in annual apportionment
16 entitlement. (1) For each school day short of the minimum
17 number of school days required by law that a school district
18 fails to conduct by reason of one or more unforeseen
19 emergencies ~~or-by-reason-of-any-other-cause--and--for--which~~
20 ~~the--school-district-is-not-entitled-to-apportionment-credit~~
21 as defined in 20-9-802, the superintendent of public
22 instruction shall reduce the equalization apportionment and
23 entitlement of the district for that school year by 1/180th.

24 (2) Kindergarten and grade 1 through 12 programs shall
25 be considered separately for the purpose of computing

1 compliance with minimum school day requirements and any loss
2 of apportionment."

3 NEW SECTION. Section 8. Effective date. This act is
4 effective on passage and approval.

-End-

1 HOUSE BILL NO. 549
 2 INTRODUCED BY Cobb
 3 BY REQUEST OF THE OFFICE OF PUBLIC INSTRUCTION
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY CLARIFY
 6 CERTAIN LAWS RELATING TO SCHOOL DISTRICT FINANCE AND BUDGET
 7 PROCEDURES; AMENDING SECTIONS 20-3-106, 20-3-331, 20-9-333,
 8 20-9-335, 20-9-348, 20-9-351, AND 20-9-805, MCA; AND
 9 PROVIDING AN IMMEDIATE EFFECTIVE DATE."

10
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 20-3-106, MCA, is amended to read:

13 "20-3-106. Supervision of schools -- powers and
 14 duties. The superintendent of public instruction has the
 15 general supervision of the public schools and districts of
 16 the state, and he shall perform the following duties or acts
 17 in implementing and enforcing the provisions of this title:

18 (1) resolve any controversy resulting from the
 19 proration of costs by a joint board of trustees under the
 20 provisions of 20-3-362;

21 (2) issue, renew, or deny teacher certification and
 22 emergency authorizations of employment;

23 (3) negotiate reciprocal tuition agreements with other
 24 states in accordance with the provisions of 20-5-314;

25 (4) serve on the teachers' retirement board in

1 accordance with the provisions of 2-15-1010;

2 (5) approve or disapprove the orders of a high school
 3 boundary commission in accordance with the provisions of
 4 20-6-311;

5 (6) approve or disapprove the opening or reopening of
 6 a school in accordance with the provisions of 20-6-502,
 7 20-6-503, 20-6-504, or 20-6-505;

8 (7) approve or disapprove school isolation within the
 9 limitations prescribed by 20-9-302;

10 (8) generally supervise the school budgeting
 11 procedures prescribed by law in accordance with the
 12 provisions of 20-9-102 and prescribe the school budget
 13 format in accordance with the provisions of 20-9-103 and
 14 20-9-506;

15 (9) establish a system of communication for
 16 calculating joint district revenues in accordance with the
 17 provisions of 20-9-151;

18 (10) approve or disapprove the adoption of a district's
 19 emergency budget resolution under the conditions prescribed
 20 in 20-9-163 and publish rules for an application for
 21 additional state aid for an emergency budget in accordance
 22 with the approval and disbursement provisions of 20-9-166;

23 (11) generally supervise the school financial
 24 administration provisions as prescribed by 20-9-201(2);

25 (12) prescribe and furnish the annual report forms to

1 enable the districts to report to the county superintendent
2 in accordance with the provisions of 20-9-213(5) and the
3 annual report forms to enable the county superintendents to
4 report to the superintendent of public instruction in
5 accordance with the provisions of 20-3-209;

6 (13) approve, disapprove, or adjust an increase of the
7 average number belonging (ANB) in accordance with the
8 provisions of 20-9-313 and 20-9-314;

9 (14) distribute state equalization aid in support of
10 the foundation program in accordance with the provisions of
11 20-9-342, 20-9-346, and 20-9-347;

12 ~~(15) estimate the statewide equalization level for the~~
13 ~~foundation program in accordance with the provisions of~~
14 ~~20-9-348;~~

15 (16)(15) distribute state impact aid in accordance with
16 the provisions of 20-9-304;

17 (17)(16) provide for the uniform and equal provision of
18 transportation by performing the duties prescribed by the
19 provisions of 20-10-112;

20 (18)(17) approve or disapprove an adult education
21 program for which a district proposes to levy a tax in
22 accordance with the provisions of 20-7-705;

23 (19)(18) request, accept, deposit, and expend federal
24 moneys in accordance with the provisions of 20-9-603;

25 (20)(19) authorize the use of federal moneys for the

1 support of an interlocal cooperative agreement in accordance
2 with the provisions of 20-9-703 and 20-9-704;

3 (21)(20) prescribe the form and contents of and approve
4 or disapprove interstate contracts in accordance with the
5 provisions of 20-9-705;

6 (22)(21) approve or disapprove the conduct of school on
7 a Saturday or on pupil-instruction-related days in
8 accordance with the provisions of 20-1-303 and 20-1-304;

9 (23)(22) recommend standards of accreditation for all
10 schools to the board of public education and evaluate
11 compliance with such standards and recommend accreditation
12 status of every school to the board of public education in
13 accordance with the provisions of 20-7-101 and 20-7-102;

14 (24)(23) collect and maintain a file of curriculum
15 guides and assist schools with instructional programs in
16 accordance with the provisions of 20-7-113 and 20-7-114;

17 (25)(24) establish and maintain a library of visual,
18 aural, and other educational media in accordance with the
19 provisions of 20-7-201;

20 (26)(25) license textbook dealers and initiate
21 prosecution of textbook dealers violating the law in
22 accordance with the provisions of the textbooks part of this
23 title;

24 (27)(26) as the governing agent and executive officer
25 of the state of Montana for vocational education, adopt the

1 policies prescribed by and in accordance with the provisions
2 of 20-7-301;

3 ~~(28)~~(27) consider applications for the designation of a
4 postsecondary vocational-technical center in accordance with
5 the provisions of 20-7-311;

6 ~~(29)~~(28) establish a fund for the handling of
7 postsecondary vocational-technical center fees in accordance
8 with the provisions of 20-7-333;

9 ~~(30)~~(29) supervise and coordinate the conduct of
10 special education in the state in accordance with the
11 provisions of 20-7-403;

12 ~~(31)~~(30) administer the traffic education program in
13 accordance with the provisions of 20-7-502;

14 ~~(32)~~(31) administer the school food services program in
15 accordance with the provisions of 20-10-201, 20-10-202, and
16 20-10-203;

17 ~~(33)~~(32) review school building plans and
18 specifications in accordance with the provisions of
19 20-6-622;

20 ~~(34)~~(33) prescribe the method of identification and
21 signals to be used by school safety patrols in accordance
22 with the provisions of 20-1-408; and

23 ~~(35)~~(34) perform any other duty prescribed from time to
24 time by this title, any other act of the legislature, or the
25 policies of the board of public education."

1 Section 2. Section 20-3-331, MCA, is amended to read:

2 "20-3-331. Purchase of liability insurance. The
3 trustees of any district may purchase insurance coverage for
4 the district, trustees, and employees against liability for
5 the death, injury, or disability of any person or damage to
6 property. ~~If such insurance is purchased, the trustees shall~~
7 ~~pay the insurance premium cost from the general fund. The~~
8 ~~provisions of 2-9-104 shall apply to the provisions of this~~
9 ~~section."~~

10 Section 3. Section 20-9-333, MCA, is amended to read:

11 "20-9-333. Basic special levy and other revenues for
12 county equalization of high school district foundation
13 program. (1) It shall be the duty of the county
14 commissioners of each county to levy an annual basic special
15 tax for high schools of 17 mills on the dollar of the
16 taxable value of all taxable property within the county for
17 the purposes of local and state foundation program support.
18 The revenue to be collected from this levy shall be
19 apportioned to the support of the foundation programs of
20 high school districts in the county and to the state special
21 revenue fund, state equalization aid account, in the
22 following manner:

23 (a) In order to determine the amount of revenue raised
24 by this levy which is retained by the county, the estimated
25 revenues identified in subsections (2)(a) and (2)(b) below

1 shall be subtracted from the sum of the county's high school
2 tuition obligation and the total of the foundation programs
3 of all high school districts of the county.

4 (b) If the basic levy prescribed by this section
5 produces more revenue than is required to finance the
6 difference determined above, the county commissioners shall
7 order the county treasurer to remit the surplus to the state
8 treasurer for deposit to the state special revenue fund,
9 state equalization aid account, not later than June 1 of the
10 fiscal year for which the levy has been set.

11 (2) The proceeds realized from the county's portion of
12 the levy prescribed in this section and the revenues from
13 the following sources shall be used for the equalization of
14 the high school district foundation programs of the county
15 as prescribed in 20-9-334, and a separate accounting shall
16 be kept of these proceeds by the county treasurer in
17 accordance with 20-9-212(1):

18 (a) any money remaining at the end of the immediately
19 preceding school fiscal year in the county treasurer's
20 account accounts for ~~deposit-of-the-proceeds-from-the-levy~~
21 the various sources of revenue established in this section;
22 and

23 (b) any federal or state moneys, including anticipated
24 motor vehicle fees and reimbursement under the provisions of
25 61-3-532 and 61-3-536, distributed to the county as a

1 payment in lieu of the property taxation established by the
2 county levy required by this section."

3 Section 4. Section 20-9-335, MCA, is amended to read:

4 "20-9-335. Formula for apportionment of county
5 equalization moneys. (1) After making such deductions
6 prescribed in 20-9-334, the county superintendent shall
7 apportion the remaining amount of moneys available in the
8 basic county tax account to the several public elementary
9 districts of the county and in the basic special tax for
10 high schools account to the several public secondary
11 districts of the county in proportion to their needs under
12 the foundation program in accordance with the following
13 procedure:

14 (a) determine the percentage that the county
15 equalization moneys available for the support of the
16 foundation programs of the public elementary districts in
17 the county is of the total amount of the foundation programs
18 of all public elementary districts;

19 (b) multiply the foundation program amount of each
20 public elementary district by the percentage determined in
21 subsection (1)(a) above to determine the portion of the
22 county equalization moneys available to each public
23 elementary district.

24 (2) The above procedure shall also be applied for
25 public secondary districts.

1 (3) No territory situated within a county shall be
 2 excluded from the apportionment of the county equalization
 3 moneys under this section solely because such territory lies
 4 within the boundaries of a joint district. Cash balances to
 5 the credit of any district at the end of a school fiscal
 6 year shall not be considered in the apportionment procedure
 7 prescribed in this section.

8 ~~{4}--When--the--total--amount--of--the--available--county~~
 9 ~~moneys--for--apportionment--under--this--section--is--greater--than~~
 10 ~~the--amount--of--money--to--be--apportioned--under--the~~
 11 ~~apportionment--procedure--prescribed--by--this--section,--the~~
 12 ~~excess--amount--of--county--moneys--shall--be--retained--by--the~~
 13 ~~county--to--be--considered--as--financing--during--the--ensuing~~
 14 ~~school--fiscal--year--under--the--requirements--of--20-9-331(2)(d)~~
 15 ~~or--20-9-333(2)(a).~~

16 {5}{4} The county equalization moneys apportioned
 17 under these procedures shall constitute the first source of
 18 revenue in calculating the financing of the public
 19 elementary and secondary district foundation program. The
 20 county superintendent shall use the apportionment procedure
 21 prescribed in this section in computing the estimated
 22 revenues for the financing of the ensuing year's foundation
 23 program for budgeting purposes."

24 Section 5. Section 20-9-348, MCA, is amended to read:

25 "20-9-348. Estimation of state-equalization-level--and

1 state equalization aid for budget purposes. {1} The
 2 apportionment of state equalization aid shall be the third
 3 second source of revenue in calculating the financing of the
 4 elementary district foundation program, and ~~it shall be the~~
 5 ~~second-source-of-revenue-in-calculating-the-financing-of~~ the
 6 high school district foundation program. In order to allow
 7 for the estimation of the amount of money to be realized
 8 from this source of revenue when the county superintendent
 9 is estimating the general fund budget revenues, the
 10 ~~superintendent-of-public-instruction-shall-annually-estimate~~
 11 ~~a-uniform-percentage-of-each-district's--foundation--program~~
 12 ~~which county superintendent shall consider that the state~~
 13 foundation program revenues and county equalization moneys,
 14 together, will be capable of financing 100% of the
 15 foundation program. ~~Such--estimate--shall--be--called--the~~
 16 ~~"state--equalization--level"--and-shall-be-based-on-the-best~~
 17 ~~available-data-and-calculated-according-to--the--allocation~~
 18 ~~procedure-provided-in-20-9-347.~~

19 {2}--The--superintendent--of--public--instruction--shall
 20 notify--each--county--superintendent--of--the--state--equalization
 21 level--estimate--by--July--1.--The--county--superintendent--shall
 22 use--such--estimated--state--equalization--level--in--establishing
 23 the--budget--estimate--of--the--financing--available--for--each
 24 district's--foundation--program--for--the--ensuing--school--fiscal
 25 year."

1 Section 6. Section 20-9-351, MCA, is amended to read:

2 "20-9-351. Funding of deficiency in state equalization
3 aid. If the estimated-state-equalization foundation program
4 level made under the provisions of 20-9-348 is less than
5 100% or if the permissive funding level made under the
6 provisions of 20-9-352 is less than 100%, it shall be the
7 duty of the superintendent of public instruction to request
8 the budget director to submit a request for a supplemental
9 appropriation in the second year of the biennium that would
10 be sufficient to complete the funding of the foundation
11 programs prescribed under 20-9-348 and of the permissive
12 programs prescribed under 20-9-352 of the elementary or
13 secondary schools, or both, for the current biennium."

14 Section 7. Section 20-9-805, MCA, is amended to read:

15 "20-9-805. Rate of reduction in annual apportionment
16 entitlement. (1) For each school day short of the minimum
17 number of school days required by law that a school district
18 fails to conduct by reason of one or more unforeseen
19 emergencies ~~or-by-reason-of-any-other-cause--and--for--which~~
20 ~~the--school-district-is-not-entitled-to-apportionment-credit~~
21 as defined in 20-9-802, the superintendent of public
22 instruction shall reduce the equalization apportionment and
23 entitlement of the district for that school year by 1/180th.

24 (2) Kindergarten and grade 1 through 12 programs shall
25 be considered separately for the purpose of computing

1 compliance with minimum school day requirements and any loss
2 of apportionment."

3 NEW SECTION. Section 8. Effective date. This act is
4 effective on passage and approval.

-End-

1 HOUSE BILL NO. 549
 2 INTRODUCED BY COBB
 3 BY REQUEST OF THE OFFICE OF PUBLIC INSTRUCTION
 4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY CLARIFY
 6 CERTAIN LAWS RELATING TO SCHOOL DISTRICT FINANCE AND BUDGET
 7 PROCEDURES; AMENDING SECTIONS 20-3-106, 20-3-331, 20-9-333,
 8 20-9-335, 20-9-348, 20-9-351, AND 20-9-805, MCA; AND
 9 PROVIDING AN IMMEDIATE EFFECTIVE DATE."
 10
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 12 Section 1. Section 20-3-106, MCA, is amended to read:
 13 "20-3-106. Supervision of schools -- powers and
 14 duties. The superintendent of public instruction has the
 15 general supervision of the public schools and districts of
 16 the state, and he shall perform the following duties or acts
 17 in implementing and enforcing the provisions of this title:
 18 (1) resolve any controversy resulting from the
 19 proration of costs by a joint board of trustees under the
 20 provisions of 20-3-362;
 21 (2) issue, renew, or deny teacher certification and
 22 emergency authorizations of employment;
 23 (3) negotiate reciprocal tuition agreements with other
 24 states in accordance with the provisions of 20-5-314;
 25 (4) serve on the teachers' retirement board in

1 accordance with the provisions of 2-15-1010;
 2 (5) approve or disapprove the orders of a high school
 3 boundary commission in accordance with the provisions of
 4 20-6-311;
 5 (6) approve or disapprove the opening or reopening of
 6 a school in accordance with the provisions of 20-6-502,
 7 20-6-503, 20-6-504, or 20-6-505;
 8 (7) approve or disapprove school isolation within the
 9 limitations prescribed by 20-9-302;
 10 (8) generally supervise the school budgeting
 11 procedures prescribed by law in accordance with the
 12 provisions of 20-9-102 and prescribe the school budget
 13 format in accordance with the provisions of 20-9-103 and
 14 20-9-506;
 15 (9) establish a system of communication for
 16 calculating joint district revenues in accordance with the
 17 provisions of 20-9-151;
 18 (10) approve or disapprove the adoption of a district's
 19 emergency budget resolution under the conditions prescribed
 20 in 20-9-163 and publish rules for an application for
 21 additional state aid for an emergency budget in accordance
 22 with the approval and disbursement provisions of 20-9-166;
 23 (11) generally supervise the school financial
 24 administration provisions as prescribed by 20-9-201(2);
 25 (12) prescribe and furnish the annual report forms to

REFERENCE BILL

1 enable the districts to report to the county superintendent
2 in accordance with the provisions of 20-9-213(5) and the
3 annual report forms to enable the county superintendents to
4 report to the superintendent of public instruction in
5 accordance with the provisions of 20-3-209;

6 (13) approve, disapprove, or adjust an increase of the
7 average number belonging (ANB) in accordance with the
8 provisions of 20-9-313 and 20-9-314;

9 (14) distribute state equalization aid in support of
10 the foundation program in accordance with the provisions of
11 20-9-342, 20-9-346, and 20-9-347;

12 ~~(15) estimate the statewide equalization level for the~~
13 ~~foundation program in accordance with the provisions of~~
14 ~~20-9-348;~~

15 (16) distribute state impact aid in accordance with
16 the provisions of 20-9-304;

17 (17) provide for the uniform and equal provision of
18 transportation by performing the duties prescribed by the
19 provisions of 20-10-112;

20 (18) approve or disapprove an adult education
21 program for which a district proposes to levy a tax in
22 accordance with the provisions of 20-7-705;

23 (19) request, accept, deposit, and expend federal
24 moneys in accordance with the provisions of 20-9-603;

25 (20) authorize the use of federal moneys for the

1 support of an interlocal cooperative agreement in accordance
2 with the provisions of 20-9-703 and 20-9-704;

3 (21) prescribe the form and contents of and approve
4 or disapprove interstate contracts in accordance with the
5 provisions of 20-9-705;

6 (22) approve or disapprove the conduct of school on
7 a Saturday or on pupil-instruction-related days in
8 accordance with the provisions of 20-1-303 and 20-1-304;

9 (23) recommend standards of accreditation for all
10 schools to the board of public education and evaluate
11 compliance with such standards and recommend accreditation
12 status of every school to the board of public education in
13 accordance with the provisions of 20-7-101 and 20-7-102;

14 (24) collect and maintain a file of curriculum
15 guides and assist schools with instructional programs in
16 accordance with the provisions of 20-7-113 and 20-7-114;

17 (25) establish and maintain a library of visual,
18 aural, and other educational media in accordance with the
19 provisions of 20-7-201;

20 (26) license textbook dealers and initiate
21 prosecution of textbook dealers violating the law in
22 accordance with the provisions of the textbooks part of this
23 title;

24 (27) as the governing agent and executive officer
25 of the state of Montana for vocational education, adopt the

1 policies prescribed by and in accordance with the provisions
2 of 20-7-301;

3 ~~(28)~~(27) consider applications for the designation of a
4 postsecondary vocational-technical center in accordance with
5 the provisions of 20-7-311;

6 ~~(29)~~(28) establish a fund for the handling of
7 postsecondary vocational-technical center fees in accordance
8 with the provisions of 20-7-333;

9 ~~(30)~~(29) supervise and coordinate the conduct of
10 special education in the state in accordance with the
11 provisions of 20-7-403;

12 ~~(31)~~(30) administer the traffic education program in
13 accordance with the provisions of 20-7-502;

14 ~~(32)~~(31) administer the school food services program in
15 accordance with the provisions of 20-10-201, 20-10-202, and
16 20-10-203;

17 ~~(33)~~(32) review school building plans and
18 specifications in accordance with the provisions of
19 20-6-622;

20 ~~(34)~~(33) prescribe the method of identification and
21 signals to be used by school safety patrols in accordance
22 with the provisions of 20-1-408; and

23 ~~(35)~~(34) perform any other duty prescribed from time to
24 time by this title, any other act of the legislature, or the
25 policies of the board of public education."

1 Section 2. Section 20-3-331, MCA, is amended to read:
2 "20-3-331. Purchase of liability insurance. The
3 trustees of any district may purchase insurance coverage for
4 the district, trustees, and employees against liability for
5 the death, injury, or disability of any person or damage to
6 property. ~~If such insurance is purchased, the trustees shall~~
7 ~~pay the insurance premium cost from the general fund. The~~
8 ~~provisions of 2-9-104 shall apply to the provisions of this~~
9 ~~section."~~

10 Section 3. Section 20-9-333, MCA, is amended to read:
11 "20-9-333. Basic special levy and other revenues for
12 county equalization of high school district foundation
13 program. (1) It shall be the duty of the county
14 commissioners of each county to levy an annual basic special
15 tax for high schools of 17 mills on the dollar of the
16 taxable value of all taxable property within the county for
17 the purposes of local and state foundation program support.
18 The revenue to be collected from this levy shall be
19 apportioned to the support of the foundation programs of
20 high school districts in the county and to the state special
21 revenue fund, state equalization aid account, in the
22 following manner:

23 (a) In order to determine the amount of revenue raised
24 by this levy which is retained by the county, the estimated
25 revenues identified in subsections (2)(a) and (2)(b) below

1 shall be subtracted from the sum of the county's high school
2 tuition obligation and the total of the foundation programs
3 of all high school districts of the county.

4 (b) If the basic levy prescribed by this section
5 produces more revenue than is required to finance the
6 difference determined above, the county commissioners shall
7 order the county treasurer to remit the surplus to the state
8 treasurer for deposit to the state special revenue fund,
9 state equalization aid account, not later than June 1 of the
10 fiscal year for which the levy has been set.

11 (2) The proceeds realized from the county's portion of
12 the levy prescribed in this section and the revenues from
13 the following sources shall be used for the equalization of
14 the high school district foundation programs of the county
15 as prescribed in 20-9-334, and a separate accounting shall
16 be kept of these proceeds by the county treasurer in
17 accordance with 20-9-212(1):

18 (a) any money remaining at the end of the immediately
19 preceding school fiscal year in the county treasurer's
20 account accounts for deposit-of-the-proceeds-from--the--levy
21 the various sources of revenue established in this section;
22 and

23 (b) any federal or state moneys, including anticipated
24 motor vehicle fees and reimbursement under the provisions of
25 61-3-532 and 61-3-536, distributed to the county as a

1 payment in lieu of the property taxation established by the
2 county levy required by this section."

3 Section 4. Section 20-9-335, MCA, is amended to read:

4 "20-9-335. Formula for apportionment of county
5 equalization moneys. (1) After making such deductions
6 prescribed in 20-9-334, the county superintendent shall
7 apportion the remaining amount of moneys available in the
8 basic county tax account to the several public elementary
9 districts of the county and in the basic special tax for
10 high schools account to the several public secondary
11 districts of the county in proportion to their needs under
12 the foundation program in accordance with the following
13 procedure:

14 (a) determine the percentage that the county
15 equalization moneys available for the support of the
16 foundation programs of the public elementary districts in
17 the county is of the total amount of the foundation programs
18 of all public elementary districts;

19 (b) multiply the foundation program amount of each
20 public elementary district by the percentage determined in
21 subsection (1)(a) above to determine the portion of the
22 county equalization moneys available to each public
23 elementary district.

24 (2) The above procedure shall also be applied for
25 public secondary districts.

1 (3) No territory situated within a county shall be
 2 excluded from the apportionment of the county equalization
 3 moneys under this section solely because such territory lies
 4 within the boundaries of a joint district. Cash balances to
 5 the credit of any district at the end of a school fiscal
 6 year shall not be considered on the apportionment procedure
 7 prescribed in this section.

8 ~~{4}--When--the--total--amount--of--the--available--county~~
 9 ~~moneys--for--apportionment--under--this--section--is--greater--than~~
 10 ~~the--amount--of--money--to--be--apportioned--under--the~~
 11 ~~apportionment--procedure--prescribed--by--this--section,--the~~
 12 ~~excess--amount--of--county--moneys--shall--be--retained--by--the~~
 13 ~~county--to--be--considered--as--financing--during--the--ensuing~~
 14 ~~school--fiscal--year--under--the--requirements--of--20-9-331{2}{d}~~
 15 ~~or--20-9-333{2}{a}:~~

16 {5}{4} The county equalization moneys apportioned
 17 under these procedures shall constitute the first source of
 18 revenue in calculating the financing of the public
 19 elementary and secondary district foundation program. The
 20 county superintendent shall use the apportionment procedure
 21 prescribed in this section in computing the estimated
 22 revenues for the financing of the ensuing year's foundation
 23 program for budgeting purposes."

24 Section 5. Section 20-9-348, MCA, is amended to read:

25 "20-9-348. Estimation of state-equalization-level--and

1 state equalization aid for budget purposes. {1} The
 2 apportionment of state equalization aid shall be the ~~third~~
 3 second source of revenue in calculating the financing of the
 4 elementary district foundation program, and ~~it shall be the~~
 5 ~~second-source-of-revenue-in-calculating-the-financing-of~~ the
 6 high school district foundation program. In order to allow
 7 for the estimation of the amount of money to be realized
 8 from this source of revenue when the county superintendent
 9 is estimating the general fund budget revenues, the
 10 superintendent-of-public-instruction-shall-annually-estimate
 11 a-uniform-percentage-of-each-district's--foundation--program
 12 which county superintendent shall consider that the state
 13 foundation program revenues and county equalization moneys,
 14 together, will be capable of financing 100% of the
 15 foundation program. ~~Such--estimate--shall--be--called--the~~
 16 ~~"state--equalization--level"--and--shall--be--based--on--the--best~~
 17 ~~available--data--and--calculated--according--to--the--allocation~~
 18 ~~procedure--provided--in--20-9-347:~~

19 {2}--The--superintendent--of--public--instruction--shall
 20 notify--each--county--superintendent--of--the--state--equalization
 21 level--estimate--by--July--1,--The--county--superintendent--shall
 22 use--such--estimated--state--equalization--level--in--establishing
 23 the--budget--estimate--of--the--financing--available--for--each
 24 district's--foundation--program--for--the--ensuing--school--fiscal
 25 year."

1 Section 6. Section 20-9-351, MCA, is amended to read:
 2 "20-9-351. Funding of deficiency in state equalization
 3 aid. If the ~~estimated-state-equalization foundation program~~
 4 level made under the provisions of 20-9-348 is less than
 5 100% or if the permissive funding level made under the
 6 provisions of 20-9-352 is less than 100%, it shall be the
 7 duty of the superintendent of public instruction to request
 8 the budget director to submit a request for a supplemental
 9 appropriation in the second year of the biennium that would
 10 be sufficient to complete the funding of the foundation
 11 programs prescribed under 20-9-348 and of the permissive
 12 programs prescribed under 20-9-352 of the elementary or
 13 secondary schools, or both, for the current biennium."

14 Section 7. Section 20-9-805, MCA, is amended to read:
 15 "20-9-805. Rate of reduction in annual apportionment
 16 entitlement. (1) For each school day short of the minimum
 17 number of school days required by law that a school district
 18 fails to conduct by reason of one or more unforeseen
 19 emergencies ~~or-by-reason-of-any-other-cause--and--for--which~~
 20 ~~the--school-district-is-not-entitled-to-apportionment-credit~~
 21 as defined in 20-9-802, the superintendent of public
 22 instruction shall reduce the equalization apportionment and
 23 entitlement of the district for that school year by 1/180th.

24 (2) Kindergarten and grade 1 through 12 programs shall
 25 be considered separately for the purpose of computing

1 compliance with minimum school day requirements and any loss
 2 of apportionment."

3 NEW SECTION. Section 8. Effective date. This act is
 4 effective on passage and approval.

-End-