HOUSE BILL NO. 549

INTRODUCED BY COBB

BY REQUEST OF THE OFFICE OF PUBLIC INSTRUCTION

IN THE HOUSE

January 29, 1985		Co	ntroduced and referred to mmittee on Education and iltural Resources.
February 19, 1985			ommittee recommend bill do pass. eport adopted.
			ll printed and placed on embers' desks.
February 20, 1985		Se	econd reading, do pass.
		Co	onsidered correctly engrossed.
February 21, 1985		Th	nird reading, passed.
		Tr	ansmitted to Senate.
	IN T	HE SE	CNATE
February 22, 1985		Co	ntroduced and referred to mmittee on Education and altural Resources.
March 22, 1985			ommittee recommend bill be oncurred in. Report adopted.
March 23, 1985		Se	econd reading, concurred in.
March 26, 1985			nird reading, concurred in. Yes, 50; Noes, 0.
		Re	eturned to House.

IN THE HOUSE

March 27, 1985

1 N

Received from Senate. Sent to enrolling.

Reported correctly enrolled.

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	110-1-1- PTTT 110 M19
1	HOUSE BILL NO. 549
2	INTRODUCED BY (1),)
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;

(6) approve or disapprove the opening or reopening of
a school in accordance with the provisions of 20-6-502,
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 additional state aid for an emergency budget in accordance 21 22 with the approval and disbursement provisions of 20-9-166; 23 (11) generally supervise the school financial administration provisions as prescribed by 20-9-201(2); 24 25 (12) prescribe and furnish the annual report forms to

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enable the districts to report to the county superintendent annual report forms to enable the county superintendents to report to the superintendent of public instruction in 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 ti6;(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

support of an interlocal cooperative agreement in accordance
 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;

(24)(23) collect and maintain a file of curriculum
 guides and assist schools with instructional programs in
 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

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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 (347(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."

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

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

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

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shall be subtracted from the sum of the county's high school
 tuition obligation and the total of the foundation programs
 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):

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

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

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

Section 4. Section 20-9-335, MCA, is amended to read: 3 "20-9-335. Formula for apportionment of county Δ equalization moneys. (1) After making such deductions 5 prescribed in 20-9-334, the county superintendent shall 6 apportion the remaining amount of moneys available in the 7 basic county tax account to the several public elementary 8 districts of the county and in the basic special tax for 9 high schools account to the several public secondary 10 districts of the county in proportion to their needs under 11 12 the foundation program in accordance with the following procedure: 13

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

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

24 (2) The above procedure shall also be applied for25 public secondary districts.

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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.

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

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

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

1 state equalization aid for budget purposes. +++ The apportionment of state equalization aid shall be the third 2 second source of revenue in calculating the financing of the 3 4 elementary district foundation program, and it-shall-be-the 5 second-source-of-revenue-in-calculating-the-financing-of the high school district foundation program. In order to allow 6 for the estimation of the amount of money to be realized 7 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 a-uniform-percentage-of-each-district-s--foundation--program 11 which county superintendent shall consider that the state 12 foundation program revenues and county equalization moneys. 13 together, will be capable of financing 100% of the 14 foundation program. Such--estimate--shall--be--called--the 15 16 "state--equalization--level"--and-shall-be-based-on-the-best available-data-and-calculated-according--to--the--allocation 17 procedure-provided-in-20-9-347+ 18 +2)--The--superintendent--of--public--instruction-shall 19 20 notify-each-county-superintendent-of-the-state--equalization level--estimate--by-July-1---The-county-superintendent-shall 21 22 use-such-estimated-state-equalization-level-in--establishing the--budget--estimate--of--the--financing-available-for-each 23 district's-foundation-program-for-the-ensuing-school--fiscal 24 25 year-"

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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 level made under the provisions of 20-9-348 is less than 4 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 fails to conduct by reason of one or more unforeseen

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 <u>as defined in 20-9-802</u>, 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 compliance with minimum school day requirements and any loss

2 of apportionment."

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3 <u>NEW SECTION.</u> Section 8. Effective date. This act is

4 effective on passage and approval.

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APPROVED BY COMM. ON EDUCATION AND CULTURAL RESOURCES

HOUSE BILL NO. 549 1 INTRODUCED BY UNL 2 3 BY REQUEST OF THE OFFICE OF PUBLIC INSTRUCTION 4 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY CLARIFY CERTAIN LAWS RELATING TO SCHOOL DISTRICT FINANCE AND BUDGET 6 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 PROVIDING AN IMMEDIATE EFFECTIVE DATE." 9 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 general supervision of the public schools and districts of 15 the state, and he shall perform the following duties or acts 16 17 in implementing and enforcing the provisions of this title: 18 (1) resolve any controversy resulting from the proration of costs by a joint board of trustees under the 19 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



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1 accordance with the provisions of 2-15-1010; (5) approve or disapprove the orders of a high school 2 3 boundary commission in accordance with the provisions of 20-6-311; Δ 5 (6) approve or disapprove the opening or reopening of a school in accordance with the provisions of 20-6-502, 6 7 20-6-503, 20-6-504, or 20-6-505; 8 (7) approve or disapprove school isolation within the q limitations prescribed by 20-9-302; 10 (8) generally supervise the school budgeting 11 procedures prescribed by law in accordance with the provisions of 20-9-102 and prescribe the school budget 12 format in accordance with the provisions of 20-9-103 and 13 14 20-9-506; 15 (9) establish a system of communication for calculating joint district revenues in accordance with the 16 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

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);

additional state aid for an emergency budget in accordance

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

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enable the districts to report to the county superintendent annual report forms to enable the county superintendents to report to the superintendent of public instruction in 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 20-9-340;

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

support of an interlocal cooperative agreement in accordance
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 schools to the board of public education and evaluate compliance with such standards and recommend accreditation status of every school to the board of public education in 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;

the governing agent and executive officer
 of the state of Montana for vocational education, adopt the

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policies prescribed by and in accordance with the provisions
 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:

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

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

1 Section 2. Section 20-3-331, MCA, is amended to read: "20-3-331. Purchase of liability insurance. The 2 3 trustees of any district may purchase insurance coverage for the district, trustees, and employees against liability for 4 the death, injury, or disability of any person or damage to 5 б property. If-such-insurance-is-purchased, the-truatees-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 program. (1) It shall be the duty of the county 13 14 commissioners of each county to levy an annual basic special 15 tax for high schools of 17 mills on the dollar of the taxable value of all taxable property within the county for 16 the purposes of local and state foundation program support. 17 The revenue to be collected from this levy shall be 18 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:

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

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shall be subtracted from the sum of the county's high school
 tuition obligation and the total of the foundation programs
 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

(b) any federal or state moneys, including anticipated
motor vehicle fees and reimbursement under the provisions of
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."

Section 4. Section 20-9-335, MCA, is amended to read: 3 "20-9-335. Formula for apportionment of county 4 equalization moneys. (1) After making such deductions 5 prescribed in 20-9-334, the county superintendent shall 6 7 apportion the remaining amount of moneys available in the basic county tax account to the several public elementary 8 districts of the county and in the basic special tax for 9 high schools account to the several public secondary 10 districts of the county in proportion to their needs under 11 the foundation program in accordance with the following 12 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;

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

24 (2) The above procedure shall also be applied for25 public secondary districts.

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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.

{4}--When--the--total--amount--of--the-available-county 8 g moneys-for-apportionment-under-this-section-is-greater--than 10 the --- amount --- of --- money --- to --- be -- apportioned -- under -- the apportionment-procedure--prescribed--by--this--section7--the 11 excess--amount--of--county--moneys--shall-be-retained-by-the 12 county-to-be-considered-as--financing--during--the--ensuing 13 school--fiscal-vear-under-the-requirements-of-20-9-331(2)(d) 14 15 or-20-9-333+21+a1+

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

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

state equalization aid for budget purposes. (1) The 1 2 apportionment of state equalization aid shall be the third second source of revenue in calculating the financing of the 3 elementary district foundation program, and it-shall-be-the 4 second-source-of-revenue-in-calculating-the-financing-of the 5 high school district foundation program. In order to allow 6 for the estimation of the amount of money to be realized 7 from this source of revenue when the county superintendent 8 is estimating the general fund budget revenues, the 9 10 superintendent-of-public-instruction-shall-annually-estimate a-uniform-percentage-of-each-districtis--foundation--program 11 which county superintendent shall consider that the state 12 foundation program revenues and county equalization moneys, 13 together, will be capable of financing 100% of the 14 foundation program. Such--estimate--shall--be--called--the 15 "state--equalization--level"--and-shall-be-based-on-the-best 16 available-data-and-calculated-according--to--the--allocation 17 18 procedure-provided-in-20-9-347-19 +2+--The--superintendent--of--public--instruction-shall notify-each-county-superintendent-of-the-state--equalization 20 level--estimate--by-July-1,--The-county-superintendent-shall 21 use-such-estimated-state-equalization-level-in--establishing 22 the--budget--estimate--of--the--financing-available-for-each 23 district+s-foundation-program-for-the-ensuing-school--fiscal 24

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25 year⊤"

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1 Section 6. Section 20-9-351, MCA, is amended to read: 2 "20-9-351. Funding of deficiency in state equalization aid. If the estimated-state-equalization foundation program 3 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 programs prescribed under 20-9-352 of the elementary or 12 13 secondary schools, or both, for the current biennium." Section 7. Section 20-9-805, MCA, is amended to read:

14 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

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- 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-

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1	HOUSE BILL NO. 549
2	INTRODUCED BY COLL
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 additional state aid for an emergency budget in accordance 21 with the approval and disbursement provisions of 20-9-166; 22 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

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THIRD READING

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enable the districts to report to the county superintendent
 in accordance with the provisions of 20-9-213(5) and the
 annual report forms to enable the county superintendents to
 report to the superintendent of public instruction in
 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 20-9-3487

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;

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

25 (29)(19) authorize the use of federal moneys for the

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

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

f22;(21) approve or disapprove the conduct of school on
a Saturday or on pupil-instruction-related days in
accordance with the provisions of 20-1-303 and 20-1-304;

9 (23)(22) recommend standards of accreditation for all schools to the board of public education and evaluate compliance with such standards and recommend accreditation status of every school to the board of public education in 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;

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

policies prescribed by and in accordance with the provisions

2 of 20-7-301;

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3 (20)(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 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:

(34)(33) prescribe the method of identification and
 signals to be used by school safety patrols in accordance
 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-purchased7-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:

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

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shall be subtracted from the sum of the county's high school
 tuition obligation and the total of the foundation programs
 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):

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

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

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

Section 4. Section 20-9-335, MCA, is amended to read: 3 "20-9-335. Formula for apportionment of county equalization moneys. (1) After making such deductions 5 prescribed in 20-9-334, the county superintendent shall 6 7 apportion the remaining amount of moneys available in the basic county tax account to the several public elementary 8 districts of the county and in the basic special tax for 9 high schools account to the several public secondary 10 11 districts of the county in proportion to their needs under the foundation program in accordance with the following 12 13 procedure:

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

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

24 (2) The above procedure shall also be applied for25 public secondary districts.

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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 apportionment-procedure--prescribed--by--this--section7--the 11 12 excess--amount--of--county--moneys--shall-be-retained-by-the 13 county-to-be-considered--as--financing--during--the--ensuing school--fiscal-year-under-the-requirements-of-20-9-331(2)(d) 14 15 or-28-9-333+2+ta+-

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

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

state equalization aid for budget purposes. (1) The 1 apportionment of state equalization aid shall be the third 2 second source of revenue in calculating the financing of the з elementary district foundation programy and it-shall-be-the 4 second-source-of-revenue-in-calculating-the-financing-of the 5 high school district foundation program. In order to allow 6 for the estimation of the amount of money to be realized 7 from this source of revenue when the county superintendent 8 estimating the general fund budget revenues, the 9 is. superintendent-of-public-instruction-shall-annually-estimate 10 a-uniform-percentage-of-each-district-s--foundation--program 11 which county superintendent shall consider that the state 12 foundation program revenues and county equalization moneys, 13 will be capable of financing 100% of the 14 together, foundation program. Such--estimate--shall--be--called--the 15 "state--equalization--level"--and-shall-be-based-on-the-best 16 available-data-and-calculated-according--to--the--allocation 17 procedure-provided-in-20-9-347-18 (2)--The--superintendent--of--public--instruction-shall 19 notify-each-county-superintendent-of-the-state--equalization 20 level--estimate--by-July-l---The-county-superintendent-shall 21 use-such-estimated-state-equalization-level-in--establishing 22 the--budget--estimate--of--the--financing-available-for-each 23 district's-foundation-program-for-the-ensuing-school--fiscal 24 25 vear-"

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

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

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HB 0549/02

1 HOUSE BILL NO. 549 2 INTRODUCED BY COBB 3 BY REQUEST OF THE OFFICE OF PUBLIC INSTRUCTION 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY CLARIFY 5 CERTAIN LAWS RELATING TO SCHOOL DISTRICT FINANCE AND BUDGET 6 PROCEDURES: AMENDING SECTIONS 20-3-106, 20-3-331, 20-9-333, 7 20-9-335, 20-9-348, 20-9-351, AND 20-9-805, MCA; AND 8 PROVIDING AN IMMEDIATE EFFECTIVE DATE." 9 10 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 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 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 other24 states in accordance with the provisions of 20-5-314;

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

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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;

(6) approve or disapprove the opening or reopening of
a school in accordance with the provisions of 20-6-502,
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**

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enable the districts to report to the county superintendent
 in accordance with the provisions of 20-9-213(5) and the
 annual report forms to enable the county superintendents to
 report to the superintendent of public instruction in
 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 20-9-3407

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

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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 (257(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

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policies prescribed by and in accordance with the provisions 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 trustees of any district may purchase insurance coverage for 3 4 the district, trustees, and employees against liability for 5 the death, injury, or disability of any person or damage to property. If-such-insurance-is-purchasedy-the-trustees-shall 6 7 pay-the-insurance-premium-cost-from-the--general--fund---The provisions--of-2-9-104-shall-apply-to-the-provisions-of-this 8 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 commissioners of each county to levy an annual basic special 14 tax for high schools of 17 mills on the dollar of the 15 taxable value of all taxable property within the county for 16 the purposes of local and state foundation program support. 17 18 The revenue to be collected from this levy shall be apportioned to the support of the foundation programs of 19 20 high school districts in the county and to the state special 21 revenue fund, state equalization aid account, in the 22 following manner:

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

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shall be subtracted from the sum of the county's high school
 tuition obligation and the total of the foundation programs
 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):

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

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

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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: "20-9-335. Formula for apportionment of county 4 equalization moneys. (1) After making such deductions 5 6 prescribed in 20-9-334, the county superintendent shall apportion the remaining amount of moneys available in the 7 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 the foundation program in accordance with the following 12 13 procedure:

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

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

(2) The above procedure shall also be applied forpublic secondary districts.

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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 county-to-be-considered--as--financing--during--the--ensuing 13 achool--fiscal-year-under-the-requirements-of-20-9-331+2+fd+ 14 15 or-20-9-333t2)ta):

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

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

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1 state equalization aid for budget purposes. (1) The apportionment of state equalization aid shall be the third 2 second source of revenue in calculating the financing of the 3 elementary district foundation programy and it-shall-be-the 4 second-source-of-revenue-in-calculating-the-financing-of the 5 6 high school district foundation program. In order to allow 7 for the estimation of the amount of money to be realized from this source of revenue when the county superintendent 8 9 is estimating the general fund budget revenues, the superintendent-of-public-instruction-shall-annually-estimate 10 a-uniform-percentage-of-each-district-s--foundation--program 11 which county superintendent shall consider that the state 12 foundation program revenues and county equalization moneys, 13 together, will be capable of financing 100% of the 14 foundation program. Such--estimate--shall--be--called--the 15 "state--equalization--level"--and-shall-be-based-on-the-best 16 17 available-data-and-calculated-according--to--the--allocation procedure-provided-in-20-9-347-18 19 {2}--The--superintendent--of--public--instruction-shall 20 notify-each-county-superintendent-of-the-state--equalization tevel--estimate--by-duly-i---The-county-superintendent-shall 21 22 use-such-estimated-state-equalization-level-in--establishing the--budget--estimate--of--the--financing-available-for-each 23 24 district's-foundation-program-for-the-ensuing-school--fiscal 25 Veary"

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Section 6. Section 20-9-351, MCA, is amended to read: l "20-9-351. Funding of deficiency in state equalization 2 aid. If the estimated-state-equalization foundation program ٦ level made under the provisions of 20-9-348 is less than 4 100% or if the permissive funding level made under the 5 provisions of 20-9-352 is less than 100%, it shall be the 6 duty of the superintendent of public instruction to request 7 the budget director to submit a request for a supplemental 8 appropriation in the second year of the biennium that would 9 be sufficient to complete the funding of the foundation 10 programs prescribed under 20-9-348 and of the permissive 11 programs prescribed under 20-9-352 of the elementary or 12 13 secondary schools, or both, for the current biennium." Section 7. Section 20-9-805, MCA, is amended to read: 14 "20-9-805. Rate of reduction in annual apportionment 15 entitlement. (1) For each school day short of the minimum 16 number of school days required by law that a school district 17 fails to conduct by reason of one or more unforeseen 18 emergencies or-by-reason-of-any-other-cause--and--for--which 19 the--school-district-is-not-entitled-to-apportionment-credit 20 as defined in 20-9-802, the superintendent of public 21 instruction shall reduce the equalization apportionment and 22 entitlement of the district for that school year by 1/180th. 23 (2) Kindergarten and grade 1 through 12 programs shall 24 be considered separately for the purpose of computing 25

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1 compliance with minimum school day requirements and any loss

2 of apportionment."

3 NEW SECTION. Section 8. Effective date. This act is

-End-

4 effective on passage and approval.

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