

HOUSE BILL NO. 708

2/07 Introduced  
2/07 Referred to Education & Cultural Resources  
2/07 Fiscal Note Requested  
2/14 Fiscal Note Required  
2/20 Hearing  
Died in Committee

1                    HOUSE BILL NO. 708  
 2    INTRODUCED BY Mervyn Keman  
 3  
 4    A BILL FOR AN ACT ENTITLED:    "AN ACT TO ALLOW A SCHOOL  
 5    DISTRICT THAT EXPERIENCES A DECREASE IN SCHOOL ENROLLMENT  
 6    DURING THE CURRENT SCHOOL FISCAL YEAR TO RECEIVE FOUNDATION  
 7    PROGRAM FUNDS FOR THE ENSUING SCHOOL YEAR BASED ON A 3-YEAR  
 8    AVERAGE OF THE DISTRICT'S AVERAGE NUMBER BELONGING OR BASED  
 9    ON A 5-YEAR AVERAGE IF THE TAXABLE VALUATION OF THE SCHOOL  
 10    DISTRICT HAS DECREASED BY 25 PERCENT OR MORE DURING THE 5  
 11    PREVIOUS TAXABLE YEARS; AMENDING SECTION 20-9-311, MCA; AND  
 12    PROVIDING AN IMMEDIATE EFFECTIVE DATE."

13  
 14    BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15            Section 1. Section 20-9-311, MCA, is amended to read:

16            "20-9-311. Calculation of average number belonging  
 17    (ANB). (1) Average number belonging shall be computed by  
 18    determining the total of the aggregate days of attendance by  
 19    regularly enrolled, full-time pupils during the current  
 20    school fiscal year plus the aggregate days of absence by  
 21    regularly enrolled, full-time pupils during the current  
 22    school fiscal year and by dividing such total by 180.  
 23    However, when a school district has approval to operate less  
 24    than 180 school days under 20-9-804, such total shall be  
 25    calculated in accordance with the provisions of 20-9-805.

1    Attendance for a part of a morning session or a part of an  
 2    afternoon session by a pupil shall be counted as attendance  
 3    for one-half day. In calculating the ANB for pupils enrolled  
 4    in a program established under 20-7-117 prior to January 1,  
 5    1974, or pursuant to 20-7-117(1), attendance at or absence  
 6    from a regular session of the program for at least 2 hours  
 7    of either a morning or an afternoon session will be counted  
 8    as one-half of a day attended or absent as the case may be.  
 9    If a variance has been granted as provided in 20-1-302, ANB  
 10    will be computed in a manner prescribed by the  
 11    superintendent of public instruction, but in no case shall  
 12    the ANB exceed one-half for each kindergarten pupil. When  
 13    any pupil has been absent, with or without excuse, for more  
 14    than 10 consecutive school days, including  
 15    pupil-instruction-related days, his absence after the 10th  
 16    day of absence shall not be included in the aggregate days  
 17    of absence and his enrollment in the school shall not be  
 18    considered in the calculation of the average number  
 19    belonging until he resumes attendance at school.

20            (2) If a student spends less than half his time in the  
 21    regular program and the balance of his time in school in the  
 22    special education program, he shall be considered a  
 23    full-time special pupil but shall not be considered  
 24    regularly enrolled for ANB purposes. If a student spends  
 25    half or more of his time in school in the regular program

1 and the balance of his time in the special education  
2 program, he shall be considered regularly enrolled for ANB  
3 purposes.

4 (3) The average number belonging of the regularly  
5 enrolled, full-time pupils for the public schools of a  
6 district shall be calculated individually for each school,  
7 except that when:

8 (a) more than one school of a district, other than a  
9 junior high school in an elementary district which has been  
10 approved and accredited as a junior high school, is located  
11 within the incorporated limits of a city or town, the  
12 average number belonging of such schools shall be based on  
13 the aggregate of all the regularly enrolled, full-time  
14 pupils attending such schools located within the  
15 incorporated limits of a city or town;

16 (b) a junior high school which has been approved and  
17 accredited as a junior high school is located within the  
18 incorporated limits of a city or town in which a high school  
19 is located, all of the regularly enrolled, full-time pupils  
20 of the junior high school shall be considered as high school  
21 district pupils for the purposes of calculating the average  
22 number belonging of the high schools located within the  
23 incorporated limits of such city or town;

24 (c) a middle school has been approved and accredited,  
25 in which case pupils below the 7th grade shall be considered

1 elementary school pupils for ANB purposes and the 7th and  
2 8th grade pupils shall be considered high school pupils for  
3 ANB purposes; or

4 (d) a school has not been accredited by the board of  
5 public education, the regularly enrolled, full-time pupils  
6 attending the nonaccredited school shall not be eligible for  
7 average number belonging calculation purposes, nor will an  
8 average number belonging for the nonaccredited school be  
9 used in determining the foundation program for such  
10 district.

11 (4) When 11th or 12th grade students are regularly  
12 enrolled on a part-time basis, high schools may calculate  
13 the ANB to include an "equivalent ANB" for those students.  
14 The method for calculating an equivalent ANB shall be  
15 determined in a manner prescribed by the superintendent of  
16 public instruction.

17 (5) When the average number belonging for the current  
18 school year, as calculated according to the provisions of  
19 this section, is:

20 (a) less than the ANB for the previous school year,  
21 the current year's calculation must be averaged with the ANB  
22 amounts from the 2 previous school years to determine the  
23 ANB for the ensuing school year; or

24 (b) less than the ANB for the previous school year and  
25 the taxable valuation of the school district has decreased

1 by 25% or more during the 5 previous taxable years, the  
2 current year's calculation must be averaged with the ANB  
3 amounts for the 4 previous school years to determine the ANB  
4 for the ensuing school year."

5 NEW SECTION. Section 2. Effective date. This act is  
6 effective on passage and approval.

-End-

## STATE OF MONTANA

REQUEST NO. FNN363-85

## FISCAL NOTE

Form BD-15

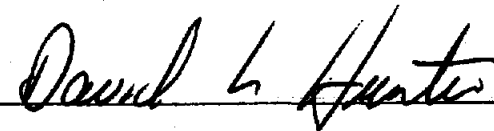
In compliance with a written request received February 9 19 85, there is hereby submitted a Fiscal Note for H.B. 708 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 708 is a act which allows a school district that experiences a decrease in school enrollment during the current school fiscal year to receive foundation program funds for the ensuing school year based on a 3 year average of the district's average number belonging (ANB) unless the district has experienced a 25% or more decrease in its taxable valuation in the previous 5 years, in which case the districts average number belonging (ANB) will be based on a 5 year average.

ASSUMPTIONS:

1. If there is a decline in ANB from the previous school year and the taxable value of the school district has not declined 25% or more, the average number belonging (ANB) will be the average of the current year enrollment and two previous years. (This is option A)
2. If the average number belonging (ANB) is less than the previous year and the taxable value has declined 25% or more over the past five years in the school district, the ANB average will be the average of the previous five years of enrollment. (This is option B)
3. A total of 154 elementary and 88 high school districts will be affected. Of this total 7 elementary and 1 high school districts will be affected by option B.
4. For foundation program purposes an elementary ANB equals \$1,424 per ANB and a high school ANB equals \$1,897.
5. There will be no increases in the school foundation schedules.
6. The Office of Public Instruction's computer program is used to identify districts affected by ANB averaging either under option A or B described above.



BUDGET DIRECTOR  
Office of Budget and Program Planning

Date: Feb 13, 1985

FISCAL IMPACT:

<u>Expenditures:</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>Biennium</u>
Present Law - Public School Support	\$272,332,000	\$274,659,000	\$546,991,000
Proposed Law - Public School Support	<u>275,687,616</u>	<u>278,014,616</u>	<u>553,702,232</u>
Change	\$ 3,355,616	\$ 3,355,616	\$ 6,711,232

The Revenue for the state equalization aid account would need an increase of \$3,355,616 per year to meet the additional cost of this proposal. Currently, this increase would come from the General Fund.

AFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

1. The proposed legislation can affect either positively or negatively the amount of funds from the 45 mill levy which are distributed to non-affected school districts in the county.

LONG RANGE EFFECTS OF PROPOSED LEGISLATION:

N/A

TECHNICAL OR MECHANICAL DEFECTS OR CONFLICTS WITH EXISTING LEGISLATION:

1. Enrollment averaging could cause a reduction of funds for the foundation program for some districts.

For example:

	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>			
a) Assume a school district ANB of:	20	15	33	32	<u>28</u>	=	$\frac{128}{5}$	= 25.6 ANB
Without averaging the district would have an ANB of 28 compared to 25.6.								
b) Assume a school district ANB of			83	95	<u>94</u>	=	$\frac{272}{3}$	= 90.6 ANB
Without averaging the district would have an ANB of 94 compared to 90.6.								