

SENATE BILL NO. 161

1/21 Introduced  
1/21 Referred to Taxation  
1/22 Fiscal Note Requested  
1/28 Fiscal Note Received  
3/05 Hearing  
3/12 Committee Report-Bill Pass As Amended  
3/14 2nd Reading Pass  
3/16 3rd Reading pass

Transmitted to House

3/18 Referred to Appropriations  
3/22 Hearing  
Died in Committee

1 *Senate* BILL NO. *161*  
 2 INTRODUCED BY *Bob Brown Moran Otter Salyer*  
 3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE  
 5 LEGISLATURE TO APPROPRIATE FUNDS TO EQUALIZE THE FINANCING  
 6 OF THE RETIREMENT FUND LEVY REQUIREMENTS OF ELEMENTARY AND  
 7 HIGH SCHOOL DISTRICTS; REQUIRING THE SUPERINTENDENT OF  
 8 PUBLIC INSTRUCTION TO DISTRIBUTE THE FUNDS TO EACH COUNTY  
 9 SUPERINTENDENT ON THE BASIS OF A DOLLAR AMOUNT PER AVERAGE  
 10 NUMBER BELONGING; AMENDING SECTIONS 20-3-106 AND 20-9-501,  
 11 MCA."

12  
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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

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

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

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

25 (3) negotiate reciprocal tuition agreements with other

1 states in accordance with the provisions of 20-5-314;

2 (4) serve on the teachers' retirement board in  
3 accordance with the provisions of 2-15-1010;

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

7 (6) approve or disapprove the opening or reopening of  
8 a school in accordance with the provisions of 20-6-502,  
9 20-6-503, 20-6-504, or 20-6-505;

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

12 (8) generally supervise the school budgeting  
13 procedures prescribed by law in accordance with the  
14 provisions of 20-9-102 and prescribe the school budget  
15 format in accordance with the provisions of 20-9-103 and  
16 20-9-506;

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

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

25 (11) generally supervise the school financial

1 administration provisions as prescribed by 20-9-201(2);  
 2 (12) prescribe and furnish the annual report forms to  
 3 enable the districts to report to the county superintendent  
 4 in accordance with the provisions of 20-9-213(5) and the  
 5 annual report forms to enable the county superintendents to  
 6 report to the superintendent of public instruction in  
 7 accordance with the provisions of 20-3-209;  
 8 (13) approve, disapprove, or adjust an increase of the  
 9 average number belonging (ANB) in accordance with the  
 10 provisions of 20-9-313 and 20-9-314;  
 11 (14) distribute state equalization aid in support of  
 12 the foundation program in accordance with the provisions of  
 13 20-9-342, 20-9-346, and 20-9-347;  
 14 (15) estimate the statewide equalization level for the  
 15 foundation program in accordance with the provisions of  
 16 20-9-348;  
 17 (16) distribute state impact aid in accordance with the  
 18 provisions of 20-9-304;  
 19 (17) provide for the uniform and equal provision of  
 20 transportation by performing the duties prescribed by the  
 21 provisions of 20-10-112;  
 22 (18) approve or disapprove an adult education program  
 23 for which a district proposes to levy a tax in accordance  
 24 with the provisions of 20-7-705;  
 25 (19) request, accept, deposit, and expend federal

1 moneys in accordance with the provisions of 20-9-603;  
 2 (20) authorize the use of federal moneys for the  
 3 support of an interlocal cooperative agreement in accordance  
 4 with the provisions of 20-9-703 and 20-9-704;  
 5 (21) prescribe the form and contents of and approve or  
 6 disapprove interstate contracts in accordance with the  
 7 provisions of 20-9-705;  
 8 (22) approve or disapprove the conduct of school on a  
 9 Saturday or on pupil-instruction-related days in accordance  
 10 with the provisions of 20-1-303 and 20-1-304;  
 11 (23) recommend standards of accreditation for all  
 12 schools to the board of public education and evaluate  
 13 compliance with such standards and recommend accreditation  
 14 status of every school to the board of public education in  
 15 accordance with the provisions of 20-7-101 and 20-7-102;  
 16 (24) collect and maintain a file of curriculum guides  
 17 and assist schools with instructional programs in accordance  
 18 with the provisions of 20-7-113 and 20-7-114;  
 19 (25) establish and maintain a library of visual, aural,  
 20 and other educational media in accordance with the  
 21 provisions of 20-7-201;  
 22 (26) license textbook dealers and initiate prosecution  
 23 of textbook dealers violating the law in accordance with the  
 24 provisions of the textbooks part of this title;  
 25 (27) as the governing agent and executive officer of

1 the state of Montana for vocational education, adopt the  
2 policies prescribed by and in accordance with the provisions  
3 of 20-7-301;

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

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

10 (30) supervise and coordinate the conduct of special  
11 education in the state in accordance with the provisions of  
12 20-7-403;

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

15 (32) administer the school food services program in  
16 accordance with the provisions of 20-10-201, 20-10-202, and  
17 20-10-203;

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

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

23 (35) distribute state retirement fund equalization aid  
24 in accordance with the provisions of [sections 3 and 4]; and

25 ~~†35†~~(36) perform any other duty prescribed from time to

1 time by this title, any other act of the legislature, or the  
2 policies of the board of public education."

3 Section 2. Section 20-9-501, MCA, is amended to read:

4 "20-9-501. Retirement fund. (1) The trustees of any  
5 district employing personnel who are members of the  
6 teachers' retirement system or the public employees'  
7 retirement system or who are covered by unemployment  
8 insurance or who are covered by any federal social security  
9 system requiring employer contributions shall establish a  
10 retirement fund for the purposes of budgeting and paying the  
11 employer's contributions to such systems. The district's  
12 contribution for each employee who is a member of the  
13 teachers' retirement system shall be calculated in  
14 accordance with Title 19, chapter 4, part 6. The district's  
15 contribution for each employee who is a member of the public  
16 employees' retirement system shall be calculated in  
17 accordance with 19-3-801. The district may levy a special  
18 tax to pay its contribution to the public employees'  
19 retirement system under the conditions prescribed in  
20 19-3-204. The district's contributions for each employee  
21 covered by any federal social security system shall be paid  
22 in accordance with federal law and regulation. The  
23 district's contribution for each employee who is covered by  
24 unemployment insurance shall be paid in accordance with  
25 Title 39, chapter 51, part 11.

1 (2) The trustees of any district required to make a  
 2 contribution to any such system shall include in the  
 3 retirement fund of the preliminary budget the estimated  
 4 amount of the employer's contribution and such additional  
 5 moneys, within legal limitations, as they may wish to  
 6 provide for the retirement fund cash reserve. After the  
 7 final retirement fund budget has been adopted, the trustees  
 8 shall pay the employer contributions to such systems in  
 9 accordance with the financial administration provisions of  
 10 this title.

11 (3) When the final retirement fund budget has been  
 12 adopted, the county superintendent shall establish the levy  
 13 requirement by:

14 (a) determining the sum of the moneys available to  
 15 reduce the retirement fund levy requirement by adding:

16 (i) any anticipated moneys that may be realized in the  
 17 retirement fund during the ensuing school fiscal year,  
 18 including anticipated motor vehicle fees and reimbursement  
 19 under the provisions of 61-3-532 and 61-3-536; and

20 (ii) any cash available for reappropriation as  
 21 determined by subtracting the amount of the end-of-the-year  
 22 cash balance earmarked as the retirement fund cash reserve  
 23 for the ensuing school fiscal year by the trustees from the  
 24 end-of-the-year cash balance in the retirement fund. The  
 25 retirement fund cash reserve shall not be more than 35% of

1 the final retirement fund budget for the ensuing school  
 2 fiscal year and shall be used for the purpose of paying  
 3 retirement fund warrants issued by the district under the  
 4 final retirement fund budget.

5 (b) subtracting the total of the moneys available for  
 6 reduction of the levy requirement as determined in  
 7 subsection (3)(a) from the budgeted amount for expenditures  
 8 in the final retirement fund budget.

9 (4) The county superintendent shall:

10 (a) total the net retirement fund levy requirements  
 11 separately for all elementary school districts, all high  
 12 school districts, and all community college districts of the  
 13 county, including any prorated joint district or special  
 14 educational cooperative agreement levy requirements; and  
 15 shall

16 (b) reduce the total retirement fund levy requirements  
 17 of elementary school districts and high school districts by  
 18 the amount available in state retirement fund equalization  
 19 aid as calculated by the superintendent of public  
 20 instruction under (section 4); and

21 (c) report each such levy requirement to the county  
 22 commissioners on the second Monday of August as the  
 23 respective county levy requirements for elementary district,  
 24 high school district, and community college district  
 25 retirement funds.

1       (5) The county commissioners shall fix and set such  
2 county levy in accordance with 20-9-142.

3       ~~(5)~~(6) The net retirement fund levy requirement for a  
4 joint elementary district or a joint high school district  
5 shall be prorated to each county in which a part of such  
6 district is located in the same proportion as the district  
7 ANB of the joint district is distributed by pupil residence  
8 in each such county. The county superintendents of the  
9 counties affected shall jointly determine the net retirement  
10 fund levy requirement for each county as provided in  
11 20-9-151.

12       ~~(6)~~(7) The net retirement fund levy requirement for  
13 districts that are members of special educational  
14 cooperative agreements shall be prorated to each county in  
15 which such district is located in the same proportion as the  
16 budget for the special education cooperative agreement of  
17 the district bears to the total budget of the cooperative.  
18 The county superintendents of the counties affected shall  
19 jointly determine the net retirement fund levy requirement  
20 for each county in the same manner as provided in 20-9-151  
21 and fix and levy the net retirement fund levy for each  
22 county in the same manner as provided in 20-9-152."

23       NEW SECTION. Section 3. Legislative appropriation for  
24 retirement fund equalization aid. To equalize the financing  
25 of the retirement fund levy requirements of elementary and

1 high school districts provided for in 20-9-501, the  
2 legislature may appropriate funds to the superintendent of  
3 public instruction to be distributed to each county  
4 superintendent on the basis of a dollar amount per average  
5 number belonging (ANB) for the total ANB of the county  
6 school districts.

7       NEW SECTION. Section 4. Duties of the superintendent  
8 of public instruction for distribution of retirement fund  
9 equalization aid. To distribute the retirement fund  
10 equalization aid as provided in [section 3], the  
11 superintendent of public instruction shall:

12       (1) establish the dollar amount per ANB by dividing  
13 the legislative appropriation for the school year by the  
14 total state ANB in the prior school year;

15       (2) notify each county superintendent by the fourth  
16 Monday of July of the total retirement fund equalization aid  
17 available to the county, as calculated separately for  
18 elementary and high school districts using the prior year's  
19 ANB and prorated as specified in 20-9-501(6) for any joint  
20 school district, so that each county superintendent may use  
21 such amounts as prescribed in 20-9-501 to calculate the  
22 total retirement fund levy requirement for elementary school  
23 districts and the total retirement fund levy requirement for  
24 high school districts; and

25       (3) distribute by state warrant the total amount of

1 retirement fund equalization aid for each county by October  
2 1 of the school fiscal year.

3 NEW SECTION. Section 5. Codification instruction.  
4 Sections 3 and 4 are intended to be codified as an integral  
5 part of Title 20, chapter 9, part 5, and the provisions of  
6 Title 20 apply to sections 3 and 4.

-End-

## STATE OF MONTANA

## FISCAL NOTE

REQUEST NO. FNN 174-85Form BD-15

In compliance with a written request received January 22, 19 85, there is hereby submitted a Fiscal Note for S.B. 161 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:

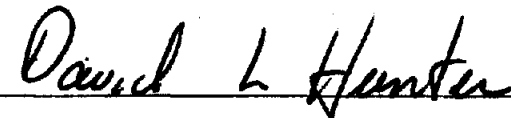
Senate Bill 161 is an act authorizing the legislature to appropriate funds to equalize the financing of the retirement fund levy requirements of elementary and high school districts. The act requires the superintendent of public instruction to distribute funds appropriated for this purpose to each county superintendent on the basis of the pupil ANB (average number belonging) in each school district within the county. The amount of each ANB distributed is determined by the ratio of appropriated funds to total ANB of all school districts in the state.

ASSUMPTIONS:

- 1) The amount of appropriated funds is needed to determine the effect that this bill would have in equalizing retirement costs of school districts.
- 2) The fiscal year ANB total is 151,231.
- 3) The total retirement fund is \$52,265,086 for FY 1985.
- 4) The county retirement levies would be reduced in direct proportion to the appropriated amount.

FISCAL IMPACT:

Until an appropriated amount is available for this proposed legislation, one cannot estimate the amount of fiscal impact that would be experienced by local school districts or the state.



BUDGET DIRECTOR  
Office of Budget and Program Planning

Date: JAN 28, 1985

SB/61



AFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

- 1) Depending upon the amount of legislative appropriation, the county wide levy for the retirement fund would be decreased.
- 2) The effect of any appropriation would be to equalize the tax burden in the counties in proportion to the appropriated amount.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

- 1) If the legislative appropriation is not increased each year to meet any increase in the retirement fund expenditures; the equalization effort will decrease as will tax relief.

APPROVED BY COMMITTEE  
ON TAXATION

SENATE BILL NO. 161

INTRODUCED BY B. BROWN, MOHAR, O'HARA, SCHYE

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE LEGISLATURE TO APPROPRIATE FUNDS TO EQUALIZE THE FINANCING OF THE RETIREMENT FUND LEVY REQUIREMENTS OF ELEMENTARY AND HIGH SCHOOL DISTRICTS; REQUIRING THE SUPERINTENDENT OF PUBLIC INSTRUCTION TO DISTRIBUTE THE FUNDS TO EACH COUNTY SUPERINTENDENT ON THE BASIS OF A DOLLAR AMOUNT PER AVERAGE NUMBER BELONGING; AMENDING SECTIONS 20-3-106 AND 20-9-501, MCA."

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

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

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

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

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

(3) negotiate reciprocal tuition agreements with other

states in accordance with the provisions of 20-5-314;

(4) serve on the teachers' retirement board in accordance with the provisions of 2-15-1010;

(5) approve or disapprove the orders of a high school boundary commission in accordance with the provisions of 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;

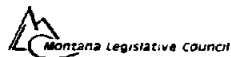
(7) approve or disapprove school isolation within the limitations prescribed by 20-9-302;

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

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

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

(11) generally supervise the school financial



1 administration provisions as prescribed by 20-9-201(2);

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

3 enable the districts to report to the county superintendent

4 in accordance with the provisions of 20-9-213(5) and the

5 annual report forms to enable the county superintendents to

6 report to the superintendent of public instruction in

7 accordance with the provisions of 20-3-209;

8 (13) approve, disapprove, or adjust an increase of the

9 average number belonging (ANB) in accordance with the

10 provisions of 20-9-313 and 20-9-314;

11 (14) distribute state equalization aid in support of

12 the foundation program in accordance with the provisions of

13 20-9-342, 20-9-346, and 20-9-347;

14 (15) estimate the statewide equalization level for the

15 foundation program in accordance with the provisions of

16 20-9-348;

17 (16) distribute state impact aid in accordance with the

18 provisions of 20-9-304;

19 (17) provide for the uniform and equal provision of

20 transportation by performing the duties prescribed by the

21 provisions of 20-10-112;

22 (18) approve or disapprove an adult education program

23 for which a district proposes to levy a tax in accordance

24 with the provisions of 20-7-705;

25 (19) request, accept, deposit, and expend federal

1 moneys in accordance with the provisions of 20-9-603;

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

3 support of an interlocal cooperative agreement in accordance

4 with the provisions of 20-9-703 and 20-9-704;

5 (21) prescribe the form and contents of and approve or

6 disapprove interstate contracts in accordance with the

7 provisions of 20-9-705;

8 (22) approve or disapprove the conduct of school on a

9 Saturday or on pupil-instruction-related days in accordance

10 with the provisions of 20-1-303 and 20-1-304;

11 (23) recommend standards of accreditation for all

12 schools to the board of public education and evaluate

13 compliance with such standards and recommend accreditation

14 status of every school to the board of public education in

15 accordance with the provisions of 20-7-101 and 20-7-102;

16 (24) collect and maintain a file of curriculum guides

17 and assist schools with instructional programs in accordance

18 with the provisions of 20-7-113 and 20-7-114;

19 (25) establish and maintain a library of visual, aural,

20 and other educational media in accordance with the

21 provisions of 20-7-201;

22 (26) license textbook dealers and initiate prosecution

23 of textbook dealers violating the law in accordance with the

24 provisions of the textbooks part of this title;

25 (27) as the governing agent and executive officer of

1 the state of Montana for vocational education, adopt the  
2 policies prescribed by and in accordance with the provisions  
3 of 20-7-301;

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

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

10 (30) supervise and coordinate the conduct of special  
11 education in the state in accordance with the provisions of  
12 20-7-403;

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

15 (32) administer the school food services program in  
16 accordance with the provisions of 20-10-201, 20-10-202, and  
17 20-10-203;

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

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

23 (35) distribute state retirement fund equalization aid  
24 in accordance with the provisions of [sections 3 and 4]; and

25 ~~(35)~~(36) perform any other duty prescribed from time to

1 time by this title, any other act of the legislature, or the  
2 policies of the board of public education."

3 Section 2. Section 20-9-501, MCA, is amended to read:

4 "20-9-501. Retirement fund. (1) The trustees of any  
5 district employing personnel who are members of the  
6 teachers' retirement system or the public employees'  
7 retirement system or who are covered by unemployment  
8 insurance or who are covered by any federal social security  
9 system requiring employer contributions shall establish a  
10 retirement fund for the purposes of budgeting and paying the  
11 employer's contributions to such systems. The district's  
12 contribution for each employee who is a member of the  
13 teachers' retirement system shall be calculated in  
14 accordance with Title 19, chapter 4, part 6. The district's  
15 contribution for each employee who is a member of the public  
16 employees' retirement system shall be calculated in  
17 accordance with 19-3-801. The district may levy a special  
18 tax to pay its contribution to the public employees'  
19 retirement system under the conditions prescribed in  
20 19-3-204. The district's contributions for each employee  
21 covered by any federal social security system shall be paid  
22 in accordance with federal law and regulation. The  
23 district's contribution for each employee who is covered by  
24 unemployment insurance shall be paid in accordance with  
25 Title 39, chapter 51, part 11.

1 (2) The trustees of any district required to make a  
 2 contribution to any such system shall include in the  
 3 retirement fund of the preliminary budget the estimated  
 4 amount of the employer's contribution and such additional  
 5 moneys, within legal limitations, as they may wish to  
 6 provide for the retirement fund cash reserve. After the  
 7 final retirement fund budget has been adopted, the trustees  
 8 shall pay the employer contributions to such systems in  
 9 accordance with the financial administration provisions of  
 10 this title.

11 (3) When the final retirement fund budget has been  
 12 adopted, the county superintendent shall establish the levy  
 13 requirement by:

14 (a) determining the sum of the moneys available to  
 15 reduce the retirement fund levy requirement by adding:

16 (i) any anticipated moneys that may be realized in the  
 17 retirement fund during the ensuing school fiscal year,  
 18 including anticipated motor vehicle fees and reimbursement  
 19 under the provisions of 61-3-532 and 61-3-536; and

20 (ii) any cash available for reappropriation as  
 21 determined by subtracting the amount of the end-of-the-year  
 22 cash balance earmarked as the retirement fund cash reserve  
 23 for the ensuing school fiscal year by the trustees from the  
 24 end-of-the-year cash balance in the retirement fund. The  
 25 retirement fund cash reserve shall not be more than 35% of

1 the final retirement fund budget for the ensuing school  
 2 fiscal year and shall be used for the purpose of paying  
 3 retirement fund warrants issued by the district under the  
 4 final retirement fund budget.

5 (b) subtracting the total of the moneys available for  
 6 reduction of the levy requirement as determined in  
 7 subsection (3)(a) from the budgeted amount for expenditures  
 8 in the final retirement fund budget.

9 (4) The county superintendent shall:

10 (a) total the net retirement fund levy requirements  
 11 separately for all elementary school districts, all high  
 12 school districts, and all community college districts of the  
 13 county, including any prorated joint district or special  
 14 educational cooperative agreement levy requirements; and  
 15 ~~shall~~

16 (b) reduce the total retirement fund levy requirements  
 17 of elementary school districts and high school districts by  
 18 the amount available in state retirement fund equalization  
 19 aid as calculated by the superintendent of public  
 20 instruction under [section 4]; and

21 (c) report each such levy requirement to the county  
 22 commissioners on the second Monday of August as the  
 23 respective county levy requirements for elementary district,  
 24 high school district, and community college district  
 25 retirement funds.

1       (5) The county commissioners shall fix and set such  
2 county levy in accordance with 20-9-142.

3       (5)(6) The net retirement fund levy requirement for a  
4 joint elementary district or a joint high school district  
5 shall be prorated to each county in which a part of such  
6 district is located in the same proportion as the district  
7 ANB of the joint district is distributed by pupil residence  
8 in each such county. The county superintendents of the  
9 counties affected shall jointly determine the net retirement  
10 fund levy requirement for each county as provided in  
11 20-9-151.

12       (6)(7) The net retirement fund levy requirement for  
13 districts that are members of special educational  
14 cooperative agreements shall be prorated to each county in  
15 which such district is located in the same proportion as the  
16 budget for the special education cooperative agreement of  
17 the district bears to the total budget of the cooperative.  
18 The county superintendents of the counties affected shall  
19 jointly determine the net retirement fund levy requirement  
20 for each county in the same manner as provided in 20-9-151  
21 and fix and levy the net retirement fund levy for each  
22 county in the same manner as provided in 20-9-152."

23       NEW SECTION. Section 3. Legislative appropriation for  
24 retirement fund equalization aid. To equalize the financing  
25 of the retirement fund levy requirements of elementary and

1 high school districts provided for in 20-9-501, the  
2 legislature may appropriate funds to the superintendent of  
3 public instruction to be distributed to each county  
4 superintendent on the basis of a dollar amount per average  
5 number belonging (ANB) for the total ANB of the county  
6 school districts.

7       NEW SECTION. Section 4. Duties of the superintendent  
8 of public instruction for distribution of retirement fund  
9 equalization aid. To distribute the retirement fund  
10 equalization aid as provided in [section 3], the  
11 superintendent of public instruction shall:

12       (1) establish the dollar amount per ANB by dividing  
13 the legislative appropriation for the school year by the  
14 total state ANB in the prior school year;

15       (2) notify each county superintendent by the fourth  
16 Monday of July of the total retirement fund equalization aid  
17 available to the county, as calculated separately for  
18 elementary and high school districts using the prior year's  
19 ANB and prorated as specified in 20-9-501(6) for any joint  
20 school district, so that each county superintendent may use  
21 such amounts as prescribed in 20-9-501 to calculate the  
22 total retirement fund levy requirement for elementary school  
23 districts and the total retirement fund levy requirement for  
24 high school districts; and

25       (3) distribute by state warrant the total amount of

1 retirement fund equalization aid for each county by October  
2 1 of the school fiscal year.

3 NEW SECTION. SECTION 5. COORDINATION INSTRUCTION. IF  
4 SENATE BILL NO. 442 IS NOT PASSED AND APPROVED, THIS ACT IS  
5 VOID.

6 NEW SECTION. Section 6. Codification instruction.  
7 Sections 3 and 4 are intended to be codified as an integral  
8 part of Title 20, chapter 9, part 5, and the provisions of  
9 Title 20 apply to sections 3 and 4.

-End-

SENATE BILL NO. 161

INTRODUCED BY B. BROWN, MOHAR, O'HARA, SCHYE

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE LEGISLATURE TO APPROPRIATE FUNDS TO EQUALIZE THE FINANCING OF THE RETIREMENT FUND LEVY REQUIREMENTS OF ELEMENTARY AND HIGH SCHOOL DISTRICTS; REQUIRING THE SUPERINTENDENT OF PUBLIC INSTRUCTION TO DISTRIBUTE THE FUNDS TO EACH COUNTY SUPERINTENDENT ON THE BASIS OF A DOLLAR AMOUNT PER AVERAGE NUMBER BELONGING; AMENDING SECTIONS 20-3-106 AND 20-9-501, MCA."

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

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

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

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

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

(3) negotiate reciprocal tuition agreements with other

states in accordance with the provisions of 20-5-314;

(4) serve on the teachers' retirement board in accordance with the provisions of 2-15-1010;

(5) approve or disapprove the orders of a high school boundary commission in accordance with the provisions of 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;

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

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

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

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

(11) generally supervise the school financial





1 administration provisions as prescribed by 20-9-201(2);  
 2 (12) prescribe and furnish the annual report forms to  
 3 enable the districts to report to the county superintendent  
 4 in accordance with the provisions of 20-9-213(5) and the  
 5 annual report forms to enable the county superintendents to  
 6 report to the superintendent of public instruction in  
 7 accordance with the provisions of 20-3-209;  
 8 (13) approve, disapprove, or adjust an increase of the  
 9 average number belonging (ANB) in accordance with the  
 10 provisions of 20-9-313 and 20-9-314;  
 11 (14) distribute state equalization aid in support of  
 12 the foundation program in accordance with the provisions of  
 13 20-9-342, 20-9-346, and 20-9-347;  
 14 (15) estimate the statewide equalization level for the  
 15 foundation program in accordance with the provisions of  
 16 20-9-348;  
 17 (16) distribute state impact aid in accordance with the  
 18 provisions of 20-9-304;  
 19 (17) provide for the uniform and equal provision of  
 20 transportation by performing the duties prescribed by the  
 21 provisions of 20-10-112;  
 22 (18) approve or disapprove an adult education program  
 23 for which a district proposes to levy a tax in accordance  
 24 with the provisions of 20-7-705;  
 25 (19) request, accept, deposit, and expend federal

1 moneys in accordance with the provisions of 20-9-603;  
 2 (20) authorize the use of federal moneys for the  
 3 support of an interlocal cooperative agreement in accordance  
 4 with the provisions of 20-9-703 and 20-9-704;  
 5 (21) prescribe the form and contents of and approve or  
 6 disapprove interstate contracts in accordance with the  
 7 provisions of 20-9-705;  
 8 (22) approve or disapprove the conduct of school on a  
 9 Saturday or on pupil-instruction-related days in accordance  
 10 with the provisions of 20-1-303 and 20-1-304;  
 11 (23) recommend standards of accreditation for all  
 12 schools to the board of public education and evaluate  
 13 compliance with such standards and recommend accreditation  
 14 status of every school to the board of public education in  
 15 accordance with the provisions of 20-7-101 and 20-7-102;  
 16 (24) collect and maintain a file of curriculum guides  
 17 and assist schools with instructional programs in accordance  
 18 with the provisions of 20-7-113 and 20-7-114;  
 19 (25) establish and maintain a library of visual, aural,  
 20 and other educational media in accordance with the  
 21 provisions of 20-7-201;  
 22 (26) license textbook dealers and initiate prosecution  
 23 of textbook dealers violating the law in accordance with the  
 24 provisions of the textbooks part of this title;  
 25 (27) as the governing agent and executive officer of

1 the state of Montana for vocational education, adopt the  
2 policies prescribed by and in accordance with the provisions  
3 of 20-7-301;

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

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

10 (30) supervise and coordinate the conduct of special  
11 education in the state in accordance with the provisions of  
12 20-7-403;

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

15 (32) administer the school food services program in  
16 accordance with the provisions of 20-10-201, 20-10-202, and  
17 20-10-203;

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

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

23 (35) distribute state retirement fund equalization aid  
24 in accordance with the provisions of [sections 3 and 4]; and

25 ~~†35†~~(36) perform any other duty prescribed from time to

1 time by this title, any other act of the legislature, or the  
2 policies of the board of public education."

3 Section 2. Section 20-9-501, MCA, is amended to read:

4 "20-9-501. Retirement fund. (1) The trustees of any  
5 district employing personnel who are members of the  
6 teachers' retirement system or the public employees'  
7 retirement system or who are covered by unemployment  
8 insurance or who are covered by any federal social security  
9 system requiring employer contributions shall establish a  
10 retirement fund for the purposes of budgeting and paying the  
11 employer's contributions to such systems. The district's  
12 contribution for each employee who is a member of the  
13 teachers' retirement system shall be calculated in  
14 accordance with Title 19, chapter 4, part 6. The district's  
15 contribution for each employee who is a member of the public  
16 employees' retirement system shall be calculated in  
17 accordance with 19-3-801. The district may levy a special  
18 tax to pay its contribution to the public employees'  
19 retirement system under the conditions prescribed in  
20 19-3-204. The district's contributions for each employee  
21 covered by any federal social security system shall be paid  
22 in accordance with federal law and regulation. The  
23 district's contribution for each employee who is covered by  
24 unemployment insurance shall be paid in accordance with  
25 Title 39, chapter 51, part 11.

1 (2) The trustees of any district required to make a  
 2 contribution to any such system shall include in the  
 3 retirement fund of the preliminary budget the estimated  
 4 amount of the employer's contribution and such additional  
 5 moneys, within legal limitations, as they may wish to  
 6 provide for the retirement fund cash reserve. After the  
 7 final retirement fund budget has been adopted, the trustees  
 8 shall pay the employer contributions to such systems in  
 9 accordance with the financial administration provisions of  
 10 this title.

11 (3) When the final retirement fund budget has been  
 12 adopted, the county superintendent shall establish the levy  
 13 requirement by:

14 (a) determining the sum of the moneys available to  
 15 reduce the retirement fund levy requirement by adding:

16 (i) any anticipated moneys that may be realized in the  
 17 retirement fund during the ensuing school fiscal year,  
 18 including anticipated motor vehicle fees and reimbursement  
 19 under the provisions of 61-3-532 and 61-3-536; and

20 (ii) any cash available for reappropriation as  
 21 determined by subtracting the amount of the end-of-the-year  
 22 cash balance earmarked as the retirement fund cash reserve  
 23 for the ensuing school fiscal year by the trustees from the  
 24 end-of-the-year cash balance in the retirement fund. The  
 25 retirement fund cash reserve shall not be more than 35% of

1 the final retirement fund budget for the ensuing school  
 2 fiscal year and shall be used for the purpose of paying  
 3 retirement fund warrants issued by the district under the  
 4 final retirement fund budget.

5 (b) subtracting the total of the moneys available for  
 6 reduction of the levy requirement as determined in  
 7 subsection (3)(a) from the budgeted amount for expenditures  
 8 in the final retirement fund budget.

9 (4) The county superintendent shall:

10 (a) total the net retirement fund levy requirements  
 11 separately for all elementary school districts, all high  
 12 school districts, and all community college districts of the  
 13 county, including any prorated joint district or special  
 14 educational cooperative agreement levy requirements; and  
 15 shall

16 (b) reduce the total retirement fund levy requirements  
 17 of elementary school districts and high school districts by  
 18 the amount available in state retirement fund equalization  
 19 aid as calculated by the superintendent of public  
 20 instruction under [section 4]; and

21 (c) report each such levy requirement to the county  
 22 commissioners on the second Monday of August as the  
 23 respective county levy requirements for elementary district,  
 24 high school district, and community college district  
 25 retirement funds.

1       (5) The county commissioners shall fix and set such  
2 county levy in accordance with 20-9-142.

3       †5) (6) The net retirement fund levy requirement for a  
4 joint elementary district or a joint high school district  
5 shall be prorated to each county in which a part of such  
6 district is located in the same proportion as the district  
7 ANB of the joint district is distributed by pupil residence  
8 in each such county. The county superintendents of the  
9 counties affected shall jointly determine the net retirement  
10 fund levy requirement for each county as provided in  
11 20-9-151.

12       †6) (7) The net retirement fund levy requirement for  
13 districts that are members of special educational  
14 cooperative agreements shall be prorated to each county in  
15 which such district is located in the same proportion as the  
16 budget for the special education cooperative agreement of  
17 the district bears to the total budget of the cooperative.  
18 The county superintendents of the counties affected shall  
19 jointly determine the net retirement fund levy requirement  
20 for each county in the same manner as provided in 20-9-151  
21 and fix and levy the net retirement fund levy for each  
22 county in the same manner as provided in 20-9-152."

23       NEW SECTION. Section 3. Legislative appropriation for  
24 retirement fund equalization aid. To equalize the financing  
25 of the retirement fund levy requirements of elementary and

1 high school districts provided for in 20-9-501, the  
2 legislature may appropriate funds to the superintendent of  
3 public instruction to be distributed to each county  
4 superintendent on the basis of a dollar amount per average  
5 number belonging (ANB) for the total ANB of the county  
6 school districts.

7       NEW SECTION. Section 4. Duties of the superintendent  
8 of public instruction for distribution of retirement fund  
9 equalization aid. To distribute the retirement fund  
10 equalization aid as provided in [section 3], the  
11 superintendent of public instruction shall:

12       (1) establish the dollar amount per ANB by dividing  
13 the legislative appropriation for the school year by the  
14 total state ANB in the prior school year;

15       (2) notify each county superintendent by the fourth  
16 Monday of July of the total retirement fund equalization aid  
17 available to the county, as calculated separately for  
18 elementary and high school districts using the prior year's  
19 ANB and prorated as specified in 20-9-501(6) for any joint  
20 school district, so that each county superintendent may use  
21 such amounts as prescribed in 20-9-501 to calculate the  
22 total retirement fund levy requirement for elementary school  
23 districts and the total retirement fund levy requirement for  
24 high school districts; and

25       (3) distribute by state warrant the total amount of

1 retirement fund equalization aid for each county by October  
2 1 of the school fiscal year.

3 NEW SECTION. SECTION 5. COORDINATION INSTRUCTION. IF  
4 SENATE BILL NO. 442 IS NOT PASSED AND APPROVED, THIS ACT IS  
5 VOID.

6 NEW SECTION. Section 6. Codification instruction.  
7 Sections 3 and 4 are intended to be codified as an integral  
8 part of Title 20, chapter 9, part 5, and the provisions of  
9 Title 20 apply to sections 3 and 4.

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