

HB 324 INTRODUCED BY PECK, ET AL.
REVISE THE METHOD OF DETERMINING STATE FUNDING FOR
SPECIAL EDUCATION

1/20 INTRODUCED
1/20 REFERRED TO EDUCATION & CULTURAL RESOURCES
1/21 FISCAL NOTE REQUESTED
1/27 FISCAL NOTE RECEIVED
2/06 HEARING
2/16 TABLED IN COMMITTEE

1 *House* BILL NO. *324*
 2 INTRODUCED BY *Rep. Bob Brown, Marko Stojanovich*
 3 *Sen. Whalen, J. Burton, Nicolet Miller, Nelson, Keaton*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE METHOD OF
 5 DETERMINING STATE FUNDING FOR SCHOOL DISTRICT SPECIAL
 6 EDUCATION PROGRAMS; AMENDING SECTIONS 20-7-422, 20-7-423,
 7 20-7-443, AND 20-9-321, MCA; REPEALING SECTION 20-7-431,
 8 MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

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

11 NEW SECTION. Section 1. Special education pupil
 12 levels. (1) For the purpose of establishing the
 13 maximum-budget-without-a-vote amount for a school district,
 14 each special education pupil of the district must be
 15 categorized in one of the following levels:

16 (a) Level I--a pupil who is mildly handicapped and
 17 whose contact hours with a special education program may
 18 range from 30 minutes to less than 3 hours of service a
 19 week;

20 (b) Level II--a pupil who is mildly handicapped and
 21 whose contact hours with a special education program may
 22 range from 3 hours to 15 hours or less of service a week;

23 (c) Level III--a pupil who is moderately handicapped
 24 and whose contact hours with a special education program may
 25 range from more than 15 hours to less than 25 hours of

1 service a week;

2 (d) Level IV--a pupil who is severely handicapped and
 3 whose contact hours with a special education program may
 4 range from 20 hours to 30 hours of service a week;

5 (e) Level V--a pupil who is profoundly handicapped and
 6 requires extensive special education services, such as
 7 physical therapy and occupational therapy, and whose contact
 8 hours with a special education program may range from 20
 9 hours to 30 hours of service a week.

10 (2) The superintendent of public instruction shall
 11 adopt rules:

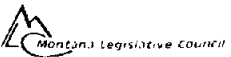
12 (a) defining the services provided in each level set
 13 forth in subsection (1);

14 (b) determining the types of handicapping conditions,
 15 as specified in 20-7-401, that qualify for special education
 16 programs in each level in subsection (1).

17 NEW SECTION. Section 2. Weighted formula for funding
 18 special education -- cooperative funding. (1) For the
 19 purpose of providing state funding for school district
 20 special education programs, the factors provided in
 21 subsection (2) must be used to calculate program funding for
 22 each special education pupil.

23 (2) For the purpose of the following weighted funding
 24 formula, the state funding for a value of 1.0 is \$1,435:

25 (a) The weighted value of a Level I pupil is 0.60.



1 (b) The weighted value of a Level II pupil is 1.60.

2 (c) The weighted value of a Level III pupil is 3.00.

3 (d) The weighted value of a Level IV pupil is 4.00.

4 (e) The weighted value of a Level V pupil is 6.20.

5 (3) Each Level I and Level II pupil must also be
6 considered as a regularly enrolled pupil for calculating
7 district average number belonging. Pupils in Levels III,
8 IV, and V may not be considered for ANB purposes.

9 (4) A special education cooperative, as provided in
10 20-7-451, must receive an additional 5% of funding as
11 calculated under this section for the following expenses of
12 the cooperative:

13 (a) rent and utilities;

14 (b) travel;

15 (c) insurance;

16 (d) an allowance for small case loads of itinerant
17 personnel resulting from time incurred in travel; and

18 (e) expenses allowed in 20-7-451.

19 Section 3. Section 20-7-422, MCA, is amended to read:

20 "20-7-422. Out-of-state tuition for special education
21 children. (1) If the trustees of any district recommend to
22 the superintendent of public instruction the attendance of
23 a child in need of special education in a special education
24 program offered outside of the state of Montana, such
25 arrangements shall not be subject to the out-of-state

1 attendance provisions of the laws governing the attendance
2 of pupils in schools outside the state of Montana.

3 (2) Whenever the attendance of a child at an
4 out-of-state special education program is approved by the
5 superintendent of public instruction, it shall be the
6 responsibility of the superintendent of public instruction,
7 in cooperation with the department of social and
8 rehabilitation services and the department of institutions,
9 to negotiate the program for the child and the amount and
10 manner of payment of tuition. The amount of tuition shall be
11 included ~~as a contracted service in 20-7-431(a)(iii)(A)~~
12 in the maximum budget without a vote for special education
13 as provided in 20-9-321."

14 Section 4. Section 20-7-423, MCA, is amended to read:

15 "20-7-423. Arranging attendance in a private
16 institution. Whenever the trustees determine that a
17 handicapped child is in need of services that can only be
18 provided by a private institution and the superintendent of
19 public instruction so approves, the board of trustees may
20 negotiate the amount and manner of payment of tuition and it
21 shall be included ~~as a contracted service as allowed in~~
22 20-7-431(a)(iii)(A) in the maximum budget without a vote
23 for special education."

24 Section 5. Section 20-7-443, MCA, is amended to read:

25 "20-7-443. Financial assistance for under-six-year-old

1 special education class or program. Any district operating
 2 an approved special education class or program for children
 3 under the age of 6 years shall be eligible for financial
 4 assistance in accordance with ~~20-7-431~~ [section 2] and for
 5 transportation reimbursement under 20-7-442."

6 Section 6. Section 20-9-321, MCA, is amended to read:

7 "20-9-321. Maximum general fund budget and contingency
 8 funds for special education. (1) For the purpose of
 9 establishing the maximum-budget-without-a-vote amount for a
 10 current year special education program for a school
 11 district, the superintendent of public instruction will
 12 determine the total estimated cost of the special education
 13 program for the school district on the basis of a special
 14 education program budget submitted by the district. The
 15 budget will be prepared on forms provided by the
 16 superintendent of public instruction and will set out for
 17 each program:

18 (a) ~~the--estimated--allowable--costs--associated--with~~
 19 ~~operating--the--program--where--allowable--costs--are--as--defined~~
 20 ~~in--20-7-431~~ costs based on the weighted formula provided in
 21 [section 2];

22 (b) the number of pupils expected to be enrolled in
 23 the program; and

24 (c) any other data required by the superintendent of
 25 public instruction for budget justification purposes ~~and to~~

1 ~~administer--the--provisions--of--20-9-315--through--20-9-321.~~

2 (2) For the purpose of determining the
 3 maximum-budget-without-a-vote amount for the ensuing school
 4 fiscal year for a district, the district shall use the
 5 number of special education pupils for the current year in
 6 each level provided in [section 2], plus any allowances for
 7 unusual or anticipated increases in special education pupils
 8 in any level or for other special circumstances allowed by
 9 rules adopted by the superintendent of public instruction.

10 ~~(2)(3)~~ The total amount of allowable costs approved by
 11 the superintendent of public instruction shall be the
 12 special education maximum-budget-without-a-vote amount for
 13 current year special education program purposes. The total
 14 amount of allowable costs that are approved for the special
 15 education budget shall not, under any condition, be less
 16 than the maximum-budget-without-a-vote amount for one
 17 regular ANB for each special full-time pupil in the school
 18 district.

19 ~~(3)(4)~~ If a special education program is implemented
 20 or expanded during a given school term too late to be
 21 included in the determination of the district
 22 maximum-budget-without-a-vote for the school year as
 23 prescribed in this part, allowable costs approved under the
 24 budgeting provisions of subsections (1) and ~~(2)~~ (3) for the
 25 operation of the program during the given year must be

1 funded from any legislative appropriation for contingency
 2 financing for special education. Contingency funds granted
 3 under this subsection must be deposited in a separate
 4 account of the miscellaneous programs fund of the district
 5 as provided in 20-9-507. However, if contingency funds are
 6 not available, then subject to the approval of the program
 7 by the superintendent under the emergency budget provisions
 8 of 20-9-161(5), allowable costs for the given year may be
 9 added to the maximum-budget-without-a-vote amount for
 10 special education for the subsequent school year. Such costs
 11 must be recorded as previous year special education expenses
 12 in the school district budget for the subsequent school
 13 year.

14 (5) A district may not classify more than 12% of the
 15 district's pupils as handicapped for the purposes of special
 16 education funding unless a variance for unusual
 17 circumstances has been granted by the superintendent of
 18 public instruction.

19 ~~(4)~~(6) The sum of the previous year special education
 20 expenses as defined in subsection ~~(3)~~ (4) above and the
 21 maximum-budget-without-a-vote for current year special
 22 education as defined in subsections (1) and ~~(2)~~ (3) shall be
 23 the special education budget for accounting purposes.

24 ~~(5)~~(7) The maximum-budget-without-a-vote for special
 25 education will be added to the maximum-budget-without-a-vote

1 of the regular program ANB defined in 20-9-311 and 20-9-313
 2 to obtain the total maximum-budget-without-a-vote for the
 3 district.

4 (8) Any special education funding allocated to a
 5 school district is restricted and must be used only for the
 6 education of special education pupils.

7 (9) If the total cost of the special education budgets
 8 in the state exceeds the legislative appropriations
 9 available for special education, each district must receive
 10 a pro rata share of the available appropriations."

11 NEW SECTION. Section 7. Repealer. Section 20-7-431,
 12 MCA, is repealed.

13 NEW SECTION. Section 8. Codification instruction.
 14 Sections 1 and 2 are intended to be codified as an integral
 15 part of Title 20, chapter 7, part 4, and the provisions of
 16 Title 20 apply to sections 1 and 2.

17 NEW SECTION. Section 9. Effective date. This act is
 18 effective July 1, 1988.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB324, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

Revises the method of determining state funding for school district special education programs.

ASSUMPTIONS:

1. The special education students will remain constant and will be distributed as follows:

Level I:	4,184
Level II:	8,881
Level III:	875
Level IV:	632
Level V:	287

TOTAL 14,859

2. Multi-handicapped students are classified as Level V.

FISCAL IMPACT:

1. Under this proposal, the total amount required to fully fund the various levels, (see assumption #1), of special education students will be approximately \$33,937,000. Current state funding for the special education program is \$27,761,646. This amount includes special education contingency fund and is totally funded from the general fund. To the extent that the total cost is not funded, school district allocations would be reduced by a proportional amount.
2. The actual distribution allocated to each school district may change from the present level. The amount of change will be dependent on the number and level of special education students at the individual school.
3. Some school districts currently receive funding for more than 12% of that school's total population. This legislation requires that a variance be made by the Superintendent of Public Instruction to continue funding for more than 12% of the student population.


DATE 1/26/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning


DATE 1/27/87
RAY PECK, PRIMARY SPONSOR

Fiscal Note for HB324, as introduced.

HB 324