

HOUSE BILL NO. 374

INTRODUCED BY PECK, MERCER, DAVIS

IN THE HOUSE

JANUARY 24, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON EDUCATION & CULTURAL RESOURCES.
JANUARY 25, 1989	FIRST READING.
FEBRUARY 7, 1989	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 8, 1989	PRINTING REPORT.
FEBRUARY 9, 1989	SECOND READING, DO PASS.
FEBRUARY 10, 1989	ENGROSSING REPORT.
FEBRUARY 11, 1989	THIRD READING, PASSED. AYES, 70; NOES, 22.
	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 13, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON EDUCATION & CULTURAL RESOURCES.
	FIRST READING.
MARCH 7, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
MARCH 8, 1989	SECOND READING, CONCURRED IN.
MARCH 10, 1989	THIRD READING, CONCURRED IN. AYES, 48; NOES, 0.
	RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

MARCH 14, 1989	RECEIVED FROM SENATE.
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MARCH 15, 1989

SECOND READING, AMENDMENTS
CONCURRED IN.

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 374
2 INTRODUCED BY Paul Mercer Spencer
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO BASE THE COMPUTATION
5 OF ANB FOR SCHOOL BUDGET PURPOSES ON ATTENDANCE DURING THE
6 SECOND SEMESTER OF THE PRECEDING SCHOOL YEAR AND THE FIRST
7 SEMESTER OF THE CURRENT SCHOOL YEAR; AMENDING SECTIONS
8 20-4-301, 20-4-402, 20-5-312, 20-6-401, 20-7-306, 20-9-311,
9 20-9-313, 20-9-314, 20-9-322, AND 20-9-532, MCA; AND
10 PROVIDING AN EFFECTIVE DATE."
11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
13 **Section 1.** Section 20-4-301, MCA, is amended to read:
14 "20-4-301. Duties of teacher -- nonpayment for failure
15 to comply. (1) Any teacher under contract with a district
16 shall:
17 (a) conform to and enforce the laws, board of public
18 education policies, and the policies of the trustees of the
19 district;
20 (b) utilize the course of instruction prescribed by
21 the trustees;
22 (c) keep, in a neat and businesslike manner, a
23 teacher's register in the form and on the blanks prescribed
24 by the superintendent of public instruction;
25 (d) immediately within 10 days after the conclusion of

1 each school ~~instructional-year-and-before-July-10~~ semester,
2 prepare ~~an-annual~~ a report in the manner and on the forms
3 prescribed by the superintendent of public instruction,
4 which ~~shall~~ must include the pupil attendance and absence
5 data from his teacher's register that is necessary to
6 calculate ANB, ~~and-such.~~ The report ~~shall~~ must be submitted
7 to:
8 (i) the district superintendent, if there be is one;
9 (ii) the principal of the school, if there be is one
10 and there is no district superintendent; or
11 (iii) the county superintendent or all county
12 superintendents when the teacher is reporting for a joint
13 district, if there is no district superintendent or
14 principal;
15 (e) exercise due diligence in the care of school
16 grounds and buildings, furniture, equipment, books, and
17 supplies; and
18 (f) provide moral and civic instruction by:
19 (i) endeavoring to impress the pupils with the
20 principles of morality, truth, justice, and patriotism;
21 (ii) teaching the pupils to avoid idleness, profanity,
22 and falsehood;
23 (iii) instructing the pupils in the principles of free
24 government and training them to comprehend the rights,
25 responsibilities, and dignity of American citizenship.

(2) The trustees ~~shall be~~ are authorized to withhold the salary warrant of any teacher who does not comply with the provisions of subsections (1)(a) or (1)(b) ~~above~~ until ~~such the~~ teacher does comply with ~~such the~~ provisions.

(3) The trustees ~~shall~~ may not pay any teacher his last month's salary until he has provided a complete and accurate ~~annual~~ semester report to the required person, as determined by ~~such the~~ person and as required in subsection (1)(d) of this section."

Section 2. Section 20-4-402, MCA, is amended to read:

"20-4-402. Duties of district superintendent or county high school principal. The district superintendent or county high school principal ~~shall be~~ is the executive officer of the trustees and, subject to the direction and control of the trustees, he shall:

(1) have general supervision of all schools of the district and the personnel employed by the district;

(2) implement and administer the policies of the trustees of the district;

(3) develop and recommend courses of instruction to the trustees for their consideration and approval in accordance with the provisions of 20-7-111;

(4) select all textbooks and submit ~~such the~~ selections to the trustees for their approval in accordance with the provisions of 20-7-602;

(5) select all reference and library books and submit ~~such the~~ selections to the trustees for their approval in accordance with provisions of 20-7-204;

(6) have general supervision of all pupils of the district, enforce the compulsory attendance provisions of this title, and have the authority to suspend for good cause any pupil of the district;

(7) report the cumulative pupil attendance and pupil absence of the district and any other pupil information required by the report form prescribed by the superintendent of public instruction to the county superintendent, or county superintendents when reporting for a joint district, immediately within 10 days after the conclusion of the ~~school-instructional-year-and-before--July--10~~ each school semester; and

(8) perform any other duties in connection with the district as the trustees may prescribe."

Section 3. Section 20-5-312, MCA, is amended to read:

"20-5-312. Reporting, budgeting, and payment for high school tuition. (1) Except as provided in subsection (2), at the close of the school term of each school fiscal year, the trustees of each high school district shall determine the rate of tuition for the current school fiscal year by:

(a) totaling the actual expenditures from the district general fund, the debt service fund, and, if the pupil is a

1 resident of another county, the retirement fund;

2 (b) dividing the amount determined in subsection
3 (1)(a) above by the ANB of the district ~~for-the-current~~
4 ~~fiscal-year~~, as determined under the provisions of 20-9-311;
5 and

6 (c) subtracting the total of the per-ANB amount
7 allowed by 20-9-316 through 20-9-321 that represents the
8 foundation program as prescribed by 20-9-303 plus the
9 per-ANB amount determined by dividing the state financing of
10 the district permissive levy by the ANB of the district,
11 from the amount determined in subsection (1)(b) ~~above~~.

12 (2) The tuition for a full-time high school special
13 education pupil must be determined under rules adopted by
14 the superintendent of public instruction for the calculation
15 of tuition for full-time high school special education
16 pupils as designated in 20-9-311 for funding purposes.

17 (3) Before July 15, the trustees shall report to the
18 county superintendent of the county in which the district is
19 located:

20 (a) the names, addresses, and resident districts of
21 the pupils attending the schools of the district under an
22 approved tuition agreement;

23 (b) the number of days of school attended by each
24 pupil;

25 (c) the amount, if any, of each pupil's tuition

1 payment that the trustees, in their discretion, ~~shall~~ have
2 the authority to waive; and

3 (d) the rate of current school fiscal year tuition, as
4 determined under the provisions of this section.

5 (4) When the county superintendent receives a tuition
6 report from a district, he shall immediately send the
7 reported information to the superintendent of each district
8 in which the reported pupils reside.

9 (5) When the district superintendent receives a
10 tuition report or reports for high school pupils residing in
11 his district and attending an out-of-district high school
12 under approved tuition agreements, he shall determine the
13 total amount of tuition due such out-of-district high
14 schools on the basis of the following per-pupil schedule:
15 the rate of tuition, number of pupils attending under an
16 approved tuition agreement, and other information provided
17 by each high school district where resident district pupils
18 have attended school.

19 (6) The total amount of the high school tuition, with
20 consideration of any tuition waivers, for pupils attending a
21 high school outside the county of residence ~~shall~~ must be
22 financed by the county basic special tax for high schools as
23 provided in 20-9-334. In December, the county superintendent
24 shall cause the payment by county warrant of at least
25 one-half of the high school tuition obligations established

under this section out of the first ~~moneys~~ money realized from the county basic special tax for high schools. The remaining obligations must be paid by June 15 of the school fiscal year. The payments ~~shall~~ must be made to the county treasurer of the county where each high school entitled to tuition is located. The county treasurer shall credit such tuition receipts to the general fund of the applicable high school district, and the tuition receipts ~~shall~~ must be used in accordance with the provisions of 20-9-141.

(7) For pupils attending a high school outside their district of residence but within the county of residence, the total amount of the tuition, with consideration of any tuition waivers, must be paid during the ensuing school fiscal year. The trustees of the sending high school district shall include the tuition amount in the tuition fund of the preliminary and final budgets. This budgeted tuition amount is not subject to the budget adjustment provisions of 20-9-132. The county superintendent shall report the net tuition fund levy requirement for each high school district to the county commissioners on the second Monday of August, and a levy on the district ~~shall~~ must be made by the county commissioners in accordance with 20-9-142. ~~This~~ The levy requirement ~~shall~~ must be calculated by subtracting from the total expenditure amount authorized in the final tuition fund budget the sum of the cash balance

in the tuition fund at the end of the immediately preceding school fiscal year plus any other anticipated money that may be realized in the tuition fund. The trustees shall pay by warrants drawn on the tuition fund the tuition amounts owed to each district included in the county superintendent's notification. Payments ~~shall~~ must be made whenever there is a sufficient amount of cash available in the tuition fund but no later than the end of the school fiscal year for which the budget is adopted. However, if the trustees of either the sending or receiving high school district feel the transfer privilege provided by this subsection is being abused, they may appeal to the county superintendent of schools, who shall hold a hearing and either approve or disapprove the transfer."

Section 4. Section 20-6-401, MCA, is amended to read:

"20-6-401. Definitions. As used in this part, unless the context clearly indicates otherwise, the following definitions apply:

(1) "Component districts" ~~are~~ means the elementary or high school districts incorporated into the enlarged district.

(2) "Eligible pupils" ~~shall--be~~ means the average number belonging (ANB) ~~for the current school--year~~ in the operating schools of the component districts and the tuition pupils residing in the component districts and attending

another district's school under the tuition provisions of the school laws, except that the pupils residing in the component district having the largest total number of pupils ~~shall-be~~ are ineligible for bonus payment consideration.

(3) "Enlarged district" ~~is~~ means the elementary or high school district resulting from the consolidation or annexation of two or more component districts.

(4) "General bonus payment" for first- and second-class school districts ~~shall~~ must be \$300 per eligible pupil per year for a period of 3 years and ~~will~~ must be deposited in the enlarged district's general fund. General bonus payment for third-class school districts ~~shall~~ must be \$500 per eligible pupil per year for a period of 3 years and ~~will~~ must be deposited in the enlarged district's general fund. ~~Such~~ The payment ~~shall~~ must be made from the state school equalization aid account.

(5) "Transportation bonus payment" ~~will--be~~ is the provision of 66 2/3% state financing of the on-schedule transportation amount as provided by the transportation provisions of the school laws. When an eligible pupil is entitled to transportation, the enlarged district ~~shall-be~~ is entitled to the transportation bonus payment for ~~such~~ the eligible pupil for a period of 3 years. ~~Such~~ The payment ~~shall~~ must be made from the state transportation aid account. When the eligible pupil rides a bus providing

transportation for ineligible pupils, the 66 2/3% state financing of the on-schedule amount for this payment ~~shall~~ must be prorated to provide ~~such~~ financing for the eligible pupil."

Section 5. Section 20-7-306, MCA, is amended to read:

"20-7-306. Distribution of secondary vocational education and industrial arts funds. (1) The superintendent of public instruction shall categorize secondary vocational programs into one of five weighted categories based upon the relative additional costs of those programs.

(2) The superintendent of public instruction shall determine the weighted category to be assigned industrial arts programs.

(3) The superintendent of public instruction shall adjust the weighted categories as necessary to assure that the procedures outlined in subsections (4) and (5) do not result in entitlements that exceed the amount appropriated.

(4) Funding ~~shall~~ must be based upon the average number belonging (ANB) ~~to~~ for secondary vocational education and industrial arts programs of the high school district in the year ANB calculation period immediately preceding the year for which funding is requested. The ANB ~~shall~~ must be computed for each separate secondary vocational education and industrial arts program.

(5) For secondary vocational education programs, the

1 ANB generated for each category established in subsection
 2 (1) ~~shall~~ must be multiplied by the factor for that
 3 category, and the product ~~thereof-shall~~ must be multiplied
 4 by the applicable ANB dollar value established by 20-9-319.
 5 Industrial arts programs ~~shall~~ must be funded at 50% of the
 6 category assigned. The high school district is entitled to
 7 receive for secondary vocational education and industrial
 8 arts, the total of the computation of all secondary
 9 vocational education and industrial arts categories ~~so~~
 10 ~~computed.~~

11 (6) The superintendent of public instruction shall
 12 annually distribute the funds allocated in this section by
 13 November 1. The money ~~so~~ received by the high school
 14 district must be deposited into the subfund of the
 15 miscellaneous programs fund established by 20-9-507 and
 16 ~~shall~~ may be expended only for approved secondary vocational
 17 education and industrial arts programs. The expenditure of
 18 the money ~~so-received-shall~~ must be reported in the annual
 19 trustees' report as required by 20-9-213."

20 **Section 6.** Section 20-9-311, MCA, is amended to read:

21 "20-9-311. Calculation of average number belonging
 22 (ANB). (1) Average number belonging ~~shall~~ must be computed
 23 by determining the total of the aggregate days of attendance
 24 by regularly enrolled, full-time pupils during the second
 25 semester of the preceding school fiscal year and the first

1 semester of the current school fiscal year plus the
 2 aggregate days of absence by regularly enrolled, full-time
 3 pupils during the second semester of the preceding school
 4 fiscal year and the first semester of the current school
 5 fiscal year and by dividing such the total by 180. However,
 6 when a school district has approval to operate less than 180
 7 school days under 20-9-804, such the total ~~shall~~ must be
 8 calculated in accordance with the provisions of 20-9-805.
 9 Attendance for a part of a morning session or a part of an
 10 afternoon session by a pupil ~~shall~~ must be counted as
 11 attendance for one-half day. In calculating the ANB for
 12 pupils enrolled in a program established under 20-7-117
 13 prior to January 1, 1974, or pursuant to 20-7-117(1),
 14 attendance at or absence from a regular session of the
 15 program for at least 2 hours of either a morning or an
 16 afternoon session will be counted as one-half of-a day
 17 attended or absent as the case may be. If a variance has
 18 been granted as provided in 20-1-302, ANB will be computed
 19 in a manner prescribed by the superintendent of public
 20 instruction, but in no case ~~shall~~ may the ANB exceed
 21 one-half for each kindergarten pupil. When any pupil has
 22 been absent, with or without excuse, for more than 10
 23 consecutive school days, including pupil-instruction-related
 24 days, his absence after the 10th day of absence ~~shall~~ may
 25 not be included in the aggregate days of absence and his

enrollment in the school ~~shall~~ may not be considered in the calculation of the average number belonging until he resumes attendance at school.

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

(3) The average number belonging of the regularly enrolled, full-time pupils for the public schools of a district must be based on the aggregate of all the regularly enrolled, full-time pupils attending the schools of the district, except that when:

(a) a school of the district is located more than 3 miles beyond the incorporated limits of a city or town or from another school of the district, all of the regularly enrolled, full-time pupils of the school must be calculated individually for ANB purposes;

(b) a junior high school has been approved and accredited as a junior high school, all of the regularly enrolled, full-time pupils of the junior high school ~~shall~~

must be considered as high school district pupils for ANB purposes;

(c) a middle school has been approved and accredited, ~~in--which--case~~ all pupils below the 7th grade ~~shall~~ must be considered elementary school pupils for ANB purposes and the 7th and 8th grade pupils ~~shall~~ must be considered high school pupils for ANB purposes; or

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

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

Section 7. Section 20-9-313, MCA, is amended to read:

"20-9-313. Circumstances under which the regular average number belonging may be increased. The average number belonging of a school ~~for-a-given-school-fiscal-year,~~ calculated in accordance with the ANB formula prescribed in

20-9-311, may be increased when:

(1) the opening of a new elementary school or the reopening of an elementary school has been approved in accordance with 20-6-502. The average number belonging for ~~such the~~ school ~~shall~~ must be established by the county superintendent and approved, disapproved, or adjusted by the superintendent of public instruction.

(2) the opening or reopening of a high school or a branch of the county high school has been approved in accordance with 20-6-503, 20-6-504, or 20-6-505. The average number belonging for ~~such the~~ high school ~~shall~~ must be established by the county superintendent's estimate, after an investigation of the probable number of pupils that will attend ~~such the~~ high school.

(3) a district anticipates an increase in the average number belonging due to the closing of any private or public school in the district or a neighboring district. The estimated increase in average number belonging ~~shall~~ must be established by the trustees and the county superintendent and approved, disapproved, or adjusted by the superintendent of public instruction no later than the fourth Monday in June.

(4) a district anticipates an unusual enrollment increase in the ensuing school fiscal year. The increase in average number belonging ~~shall~~ must be based on estimates of

increased enrollment approved by the superintendent of public instruction and ~~shall~~ must be computed in the manner prescribed by 20-9-314.

(5) for the initial year of operation of a program established under 20-7-117(1), the ANB to be used for budget purposes is the same as one-half the number of 5-year-old children residing in the district as of September 10 of the preceding school year, either as shown on the official school census or as determined by some other procedure approved by the superintendent of public instruction;

(6) a ~~special~~ full-time special pupil, as defined in 20-9-311, in a given school fiscal year ~~will~~ may no longer be considered a ~~special~~ full-time special pupil in the ensuing school fiscal year (the superintendent of public instruction may grant one ANB for ~~such the~~ pupil for the ensuing school fiscal year); or

(7) a high school district provides early graduation for any student who completes graduation requirements in less than eight semesters or the equivalent amount of secondary school enrollment or when a high school district provides early graduation for a class of students who have completed the requirements for graduation after 175 pupil-instruction days in the 12th grade. The increase ~~shall~~ must be established by the trustees as though the student had attended to the end of the school fiscal year and ~~shall~~

1 must be approved, disapproved, or adjusted by the
2 superintendent of public instruction."

3 **Section 8.** Section 20-9-314, MCA, is amended to read:

4 "20-9-314. Procedures for determining eligibility and
5 amount of increased average number belonging due to unusual
6 enrollment increase. A district which anticipates an unusual
7 increase in enrollment in the ensuing school fiscal year, as
8 provided for in 20-9-313(4), may increase its foundation
9 program for the ensuing school fiscal year in accordance
10 with the following provisions:

11 ~~{1}--The district shall estimate the current year's~~
12 ~~average number belonging by totaling the aggregate days of~~
13 ~~attendance and aggregate days of absence realized in the~~
14 ~~district through April 30 and dividing such total by 180.~~
15 ~~The resulting average number belonging shall be increased by~~
16 ~~the ratio that the total number of planned school days in~~
17 ~~the current school fiscal year bears to the number of school~~
18 ~~days completed through April 30.~~

19 {2}(1) Prior to May 10, the district shall estimate
20 the probable average number belonging to be realized during
21 the ensuing school fiscal year ANB calculation period, based
22 on as much factual information as may be available to the
23 district.

24 {3}(2) No later than May 10, the district shall submit
25 its application for an unusual enrollment increase to the

1 superintendent of public instruction. ~~Such~~ The application
2 ~~shall~~ must include:

3 (a) the ~~previous year's~~ average number belonging for
4 the preceding ANB calculation period;

5 (b) the ~~estimate of the current school fiscal year's~~
6 ~~average number belonging, as provided in subsection {1}~~
7 ~~above~~;

8 (c) the estimated average number belonging for the
9 ensuing ~~school fiscal year~~ ANB calculation period, including
10 the factual information on which the estimate is based, as
11 provided in subsection {2} (1) above; and

12 (d) any other information or data that may be
13 requested by the superintendent of public instruction.

14 {4}(3) The superintendent of public instruction shall
15 immediately review all the factors of the application and
16 shall approve or disapprove the application or adjust the
17 estimated average number belonging for the ensuing ~~school~~
18 ~~fiscal year~~ ANB calculation period. After approving an
19 estimate, with or without adjustment, the superintendent of
20 public instruction shall:

21 (a) determine the percentage increase ~~which~~ that the
22 estimated average number belonging for the ensuing ~~fiscal~~
23 ~~year~~ ANB calculation period is over the current ~~year's~~
24 average number belonging; and

25 (b) approve an increase of the average number

1 belonging used to establish the ensuing year's foundation
2 program in accordance with subsection ~~(6)~~ (5) if the
3 increase in subsection ~~(4)~~~~(a)~~ (3)(a) is at least 6%.

4 ~~(5)~~(4) The superintendent of public instruction shall
5 notify the district of his decision by the fourth Monday in
6 June.

7 ~~(6)~~(5) Whenever an unusual enrollment increase is
8 approved by the superintendent of public instruction, the
9 increase of the average number belonging used to establish
10 the foundation program for the ensuing ~~school-fiscal-year~~
11 ~~shall-be~~ ANB calculation period is the difference between
12 the approved estimated average number belonging for the
13 ensuing ~~school-fiscal-year~~ ANB calculation period and 106%
14 of the current ~~year's~~ average number belonging. The amount
15 ~~so determined shall-be~~ is the maximum allowable increase
16 added to the actual current average number belonging ~~for-the~~
17 ~~current--school--fiscal-year~~ for the purpose of establishing
18 the ensuing year's foundation program.

19 ~~(7)~~(6) Any equalization or entitlement increases
20 resulting from provisions of this section ~~shall must~~ be
21 reviewed at the end of the ensuing school fiscal year. If
22 the actual average number belonging is less than the average
23 number belonging used for foundation program and entitlement
24 calculations, the superintendent of public instruction shall
25 revise the foundation program and entitlement calculations

1 using the actual average number belonging. All payments
2 received by the district in excess of the revised
3 entitlements ~~shall-be~~ are overpayments subject to the refund
4 provisions of 20-9-344(3)."

5 **Section 9.** Section 20-9-322, MCA, is amended to read:
6 "20-9-322. Elementary instructional aide funding
7 qualification. (1) Any An elementary school that anticipates
8 an ANB of at least 14 but less than 18 pupils for the
9 ensuing school fiscal year may determine the maximum general
10 fund budget amount under the provisions of 20-9-316(3) or
11 20-9-318(3) if eligibility is approved in accordance with
12 the following provisions:

13 (a) No later than May 10 of each year, the school
14 district shall submit its application for approval for
15 instructional aide funding to the superintendent of public
16 instruction. The application ~~shall must~~ include:

17 (i) the ~~previous-year's~~ ANB for the preceding ANB
18 calculation period;

19 (ii) ~~an--estimate--of~~ the current ~~school-fiscal-year's~~
20 ~~ANB,--as-calculated-under-the-provisions-of-20-9-314(i);~~ and
21 the number of grade levels being taught on May 1 of the
22 current year;

23 (iii) an estimate of the ANB and the number of grade
24 levels anticipated for the ensuing ~~school-fiscal-year~~ ANB
25 calculation period;

(iv) the factual information on which ~~such--estimates~~
are the estimate is based; and

(v) any other information or data that may be required
by the superintendent of public instruction.

(b) The superintendent of public instruction shall
immediately review all of the factors of the application and
shall approve the application if the anticipated ANB is at
least 14 but less than 18 pupils and a minimum of five grade
levels are being taught as of May 1 of the current year or
documentation is provided which that indicates that the
anticipated ANB will require a minimum of five grade levels
to be taught in the ensuing school year.

(2) Whenever a school district applies for and is
approved for instructional aide funding under the provisions
of subsection (1), the district ~~must~~ shall hire an
instructional aide.

(3) For the purposes of this section, the term
"instructional aide" means:

(a) a person who is under the direct supervision of a
teacher; or

(b) a certified teacher."

Section 10. Section 20-9-532, MCA, is amended to read:

"20-9-532. Calculation and distribution of retirement
equalization aid. (1) The superintendent of public
instruction shall administer the distribution of retirement

equalization aid by:

(a) determining the estimated revenue available from
the net lottery revenue as provided in 23-5-1027;

(b) establishing a list containing each county that
levied in the prior school fiscal year in excess of 9 mills
to fund its required contribution for retirement fund
obligations;

(c) establishing the estimated dollar amount per
average number belonging (ANB) by dividing the amount
determined in subsection (1)(a) by the total ANB of the
counties listed pursuant to subsection (1)(b) for the prior
school-fiscal-year preceding ANB calculation period;

(d) notifying the county superintendent of each county
listed in subsection (1)(b) by the fourth Monday in July of
the estimated retirement equalization aid available to the
county, calculated separately for elementary and high school
districts and prorated as specified in 20-9-501 for any
joint school district, so that each county superintendent
may use the amounts in the manner prescribed in 20-9-501 to
calculate the retirement fund levy requirements for
elementary and high school districts in the county;

(e) distributing by October 1 the amount of retirement
equalization aid for each county listed pursuant to
subsection (1)(b); and

(f) keeping a record of the complete data concerning

1 revenue available for retirement equalization aid and the
2 distribution of such the aid.

3 (2) If the actual proceeds available for retirement
4 equalization are not sufficient to finance the estimated
5 dollar amount per ANB provided for in subsection (1)(c),
6 each county listed pursuant to subsection (1)(b) must
7 receive a prorated amount."

8 NEW SECTION. Section 11. Extension of authority. Any
9 existing authority to make rules on the subject of the
10 provisions of [this act] is extended to the provisions of
11 [this act].

12 NEW SECTION. Section 12. Effective date. [This act]
13 is effective July 1, 1989.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB374, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

A bill for an Act entitled: " An Act to base the computation of ANB for school budget purposes on attendance during the second semester of the preceding school year and the first semester of the current school year; amending Sections 20-4-301, 20-4-402, 20-5-312, 20-6-401, 20-7-306, 20-9-311, 20-9-313, 20-9-314, 20-9-322, and 20-9-532 MCA; and providing an effective date."

ASSUMPTIONS:

1. The change in ANB calculation would create a one-semester lag in the use of current ANB numbers, but would not change the actual calculation method.
2. Assumes all schools are on a semester basis.

FISCAL IMPACT:

	Current	<u>FY90</u> Proposed		Current	<u>FY91</u> Proposed	
	Law	Law	Difference	Law	Law	Difference
<u>Expenditures:</u>						
Operating Expenses	\$ -0-	\$5,000	\$5,000	\$ -0-	\$ -0-	\$ -0-
<u>Funding:</u>						
General Fund	\$ -0-	\$5,000	\$5,000	\$ -0-	\$ -0-	\$ -0-

TECHNICAL DEFECTS:

The initial adjustment may include fewer or more PI and PIR days than the allowable days.

Ray Shackelford 1/31/89
 RAY SHACKLEFORD, BUDGET DIRECTOR DATE
 OFFICE OF BUDGET AND PROGRAM PLANNING

Ray Peck 2/1/89
 RAY PECK, PRIMARY SPONSOR DATE

Fiscal Note for HB374, as introduced

HB 374

APPROVED BY COMM. ON EDUCATION
AND CULTURAL RESOURCES

1 House BILL NO. 374
2 INTRODUCED BY Bob Mercer House
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO BASE THE COMPUTATION
5 OF ANB FOR SCHOOL BUDGET PURPOSES ON ATTENDANCE DURING THE
6 SECOND SEMESTER OF THE PRECEDING SCHOOL YEAR AND THE FIRST
7 SEMESTER OF THE CURRENT SCHOOL YEAR; AMENDING SECTIONS
8 20-4-301, 20-4-402, 20-5-312, 20-6-401, 20-7-306, 20-9-311,
9 20-9-313, 20-9-314, 20-9-322, AND 20-9-532, MCA; AND
10 PROVIDING AN EFFECTIVE DATE."
11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
13 **Section 1.** Section 20-4-301, MCA, is amended to read:
14 "20-4-301. Duties of teacher -- nonpayment for failure
15 to comply. (1) Any teacher under contract with a district
16 shall:
17 (a) conform to and enforce the laws, board of public
18 education policies, and the policies of the trustees of the
19 district;
20 (b) utilize the course of instruction prescribed by
21 the trustees;
22 (c) keep, in a neat and businesslike manner, a
23 teacher's register in the form and on the blanks prescribed
24 by the superintendent of public instruction;
25 (d) immediately within 10 days after the conclusion of

There are no changes on HB 374 and will not be
reprinted. Please refer to introduced (white)
copy for complete text.

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House BILL NO. 374

INTRODUCED BY Paul Mercer H. H. H.

A BILL FOR AN ACT ENTITLED: "AN ACT TO BASE THE COMPUTATION OF ANB FOR SCHOOL BUDGET PURPOSES ON ATTENDANCE DURING THE SECOND SEMESTER OF THE PRECEDING SCHOOL YEAR AND THE FIRST SEMESTER OF THE CURRENT SCHOOL YEAR; AMENDING SECTIONS 20-4-301, 20-4-402, 20-5-312, 20-6-401, 20-7-306, 20-9-311, 20-9-313, 20-9-314, 20-9-322, AND 20-9-532, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 20-4-301, MCA, is amended to read:

"20-4-301. Duties of teacher -- nonpayment for failure to comply. (1) Any teacher under contract with a district shall:

(a) conform to and enforce the laws, board of public education policies, and the policies of the trustees of the district;

(b) utilize the course of instruction prescribed by the trustees;

(c) keep, in a neat and businesslike manner, a teacher's register in the form and on the blanks prescribed by the superintendent of public instruction;

(d) ~~immediately~~ within 10 days after the conclusion of

There are no changes on HB 374 and will not be reprinted. Please refer to introduced (white) copy for complete text.



SENATE STANDING COMMITTEE REPORT

March 6, 1989

MR. PRESIDENT:

We, your committee on Education and Cultural Resources, having had under consideration HB 374 (third reading copy -- blue), respectfully report that HB 374 be amended and as so amended be concurred in:

Sponsor: Peck (Mazurek)

1. Title, line 10.

Following: "DATE"

Insert: "AND AN APPLICABILITY DATE"

2. Page 23, line 12.

Following: "date"

Insert: " -- applicability"

3. Page 23, line 13.

Following: "1989"

Insert: ", and applies to school budgets and foundation program support for school fiscal years beginning after June 30, 1990"

AND AS AMENDED BE CONCURRED IN

Signed: *H. W. Hammond*

H. W. Hammond, Chairman

SENATE

scrhb374.306

HB 374

1 HOUSE BILL NO. 374

2 INTRODUCED BY PECK, MERCER, DAVIS

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO BASE THE COMPUTATION
5 OF ANB FOR SCHOOL BUDGET PURPOSES ON ATTENDANCE DURING THE
6 SECOND SEMESTER OF THE PRECEDING SCHOOL YEAR AND THE FIRST
7 SEMESTER OF THE CURRENT SCHOOL YEAR; AMENDING SECTIONS
8 20-4-301, 20-4-402, 20-5-312, 20-6-401, 20-7-306, 20-9-311,
9 20-9-313, 20-9-314, 20-9-322, AND 20-9-532, MCA; AND
10 PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

13 Section 1. Section 20-4-301, MCA, is amended to read:

14 "20-4-301. Duties of teacher -- nonpayment for failure
15 to comply. (1) Any teacher under contract with a district
16 shall:17 (a) conform to and enforce the laws, board of public
18 education policies, and the policies of the trustees of the
19 district;20 (b) utilize the course of instruction prescribed by
21 the trustees;22 (c) keep, in a neat and businesslike manner, a
23 teacher's register in the form and on the blanks prescribed
24 by the superintendent of public instruction;25 (d) immediately within 10 days after the conclusion of

1 each school instructional-year-and-before-July-10 semester,
2 prepare an--annual a report in the manner and on the forms
3 prescribed by the superintendent of public instruction,
4 which shall must include the pupil attendance and absence
5 data from his teacher's register that is necessary to
6 calculate ANB--and-such. The report shall must be submitted
7 to:

8 (i) the district superintendent, if there be is one;9 (ii) the principal of the school, if there be is one
10 and there is no district superintendent; or11 (iii) the county superintendent or all county
12 superintendents when the teacher is reporting for a joint
13 district, if there is no district superintendent or
14 principal;15 (e) exercise due diligence in the care of school
16 grounds and buildings, furniture, equipment, books, and
17 supplies; and

18 (f) provide moral and civic instruction by:

19 (i) endeavoring to impress the pupils with the
20 principles of morality, truth, justice, and patriotism;21 (ii) teaching the pupils to avoid idleness, profanity,
22 and falsehood;23 (iii) instructing the pupils in the principles of free
24 government and training them to comprehend the rights,
25 responsibilities, and dignity of American citizenship.

1 (2) The trustees ~~shall-be~~ are authorized to withhold
2 the salary warrant of any teacher who does not comply with
3 the provisions of subsections (1)(a) or (1)(b) above until
4 such the teacher does comply with such the provisions.

5 (3) The trustees ~~shall~~ may not pay any teacher his
6 last month's salary until he has provided a complete and
7 accurate ~~annual~~ semester report to the required person, as
8 determined by such the person and as required in subsection
9 (1)(d) of this section."

10 **Section 2.** Section 20-4-402, MCA, is amended to read:

11 "20-4-402. Duties of district superintendent or county
12 high school principal. The district superintendent or county
13 high school principal ~~shall-be~~ is the executive officer of
14 the trustees and, subject to the direction and control of
15 the trustees, he shall:

16 (1) have general supervision of all schools of the
17 district and the personnel employed by the district;

18 (2) implement and administer the policies of the
19 trustees of the district;

20 (3) develop and recommend courses of instruction to
21 the trustees for their consideration and approval in
22 accordance with the provisions of 20-7-111;

23 (4) select all textbooks and submit such the
24 selections to the trustees for their approval in accordance
25 with the provisions of 20-7-602;

1 (5) select all reference and library books and submit
2 such the selections to the trustees for their approval in
3 accordance with provisions of 20-7-204;

4 (6) have general supervision of all pupils of the
5 district, enforce the compulsory attendance provisions of
6 this title, and have the authority to suspend for good cause
7 any pupil of the district;

8 (7) report the cumulative pupil attendance and pupil
9 absence of the district and any other pupil information
10 required by the report form prescribed by the superintendent
11 of public instruction to the county superintendent, or
12 county superintendents when reporting for a joint district,
13 immediately within 10 days after the conclusion of the
14 ~~school-instructional-year-and-before--July--10~~ each school
15 semester; and

16 (8) perform any other duties in connection with the
17 district as the trustees may prescribe."

18 **Section 3.** Section 20-5-312, MCA, is amended to read:

19 "20-5-312. Reporting, budgeting, and payment for high
20 school tuition. (1) Except as provided in subsection (2), at
21 the close of the school term of each school fiscal year, the
22 trustees of each high school district shall determine the
23 rate of tuition for the current school fiscal year by:

24 (a) totaling the actual expenditures from the district
25 general fund, the debt service fund, and, if the pupil is a

1 resident of another county, the retirement fund;

2 (b) dividing the amount determined in subsection
3 (1)(a) above by the ANB of the district ~~for the current~~
4 ~~fiscal year~~ as determined under the provisions of 20-9-311;
5 and

6 (c) subtracting the total of the per-ANB amount
7 allowed by 20-9-316 through 20-9-321 that represents the
8 foundation program as prescribed by 20-9-303 plus the
9 per-ANB amount determined by dividing the state financing of
10 the district permissive levy by the ANB of the district,
11 from the amount determined in subsection (1)(b) above.

12 (2) The tuition for a full-time high school special
13 education pupil must be determined under rules adopted by
14 the superintendent of public instruction for the calculation
15 of tuition for full-time high school special education
16 pupils as designated in 20-9-311 for funding purposes.

17 (3) Before July 15, the trustees shall report to the
18 county superintendent of the county in which the district is
19 located:

20 (a) the names, addresses, and resident districts of
21 the pupils attending the schools of the district under an
22 approved tuition agreement;

23 (b) the number of days of school attended by each
24 pupil;

25 (c) the amount, if any, of each pupil's tuition

1 payment that the trustees, in their discretion, ~~shall~~ have
2 the authority to waive; and

3 (d) the rate of current school fiscal year tuition, as
4 determined under the provisions of this section.

5 (4) When the county superintendent receives a tuition
6 report from a district, he shall immediately send the
7 reported information to the superintendent of each district
8 in which the reported pupils reside.

9 (5) When the district superintendent receives a
10 tuition report or reports for high school pupils residing in
11 his district and attending an out-of-district high school
12 under approved tuition agreements, he shall determine the
13 total amount of tuition due such out-of-district high
14 schools on the basis of the following per-pupil schedule:
15 the rate of tuition, number of pupils attending under an
16 approved tuition agreement, and other information provided
17 by each high school district where resident district pupils
18 have attended school.

19 (6) The total amount of the high school tuition, with
20 consideration of any tuition waivers, for pupils attending a
21 high school outside the county of residence ~~shall~~ must be
22 financed by the county basic special tax for high schools as
23 provided in 20-9-334. In December, the county superintendent
24 shall cause the payment by county warrant of at least
25 one-half of the high school tuition obligations established

1 under this section out of the first moneys money realized
 2 from the county basic special tax for high schools. The
 3 remaining obligations must be paid by June 15 of the school
 4 fiscal year. The payments ~~shall~~ must be made to the county
 5 treasurer of the county where each high school entitled to
 6 tuition is located. The county treasurer shall credit such
 7 tuition receipts to the general fund of the applicable high
 8 school district, and the tuition receipts ~~shall~~ must be used
 9 in accordance with the provisions of 20-9-141.

10 (7) For pupils attending a high school outside their
 11 district of residence but within the county of residence,
 12 the total amount of the tuition, with consideration of any
 13 tuition waivers, must be paid during the ensuing school
 14 fiscal year. The trustees of the sending high school
 15 district shall include the tuition amount in the tuition
 16 fund of the preliminary and final budgets. This budgeted
 17 tuition amount is not subject to the budget adjustment
 18 provisions of 20-9-132. The county superintendent shall
 19 report the net tuition fund levy requirement for each high
 20 school district to the county commissioners on the second
 21 Monday of August, and a levy on the district ~~shall~~ must be
 22 made by the county commissioners in accordance with
 23 20-9-142. ~~This~~ The levy requirement ~~shall~~ must be calculated
 24 by subtracting from the total expenditure amount authorized
 25 in the final tuition fund budget the sum of the cash balance

1 in the tuition fund at the end of the immediately preceding
 2 school fiscal year plus any other anticipated money that may
 3 be realized in the tuition fund. The trustees shall pay by
 4 warrants drawn on the tuition fund the tuition amounts owed
 5 to each district included in the county superintendent's
 6 notification. Payments ~~shall~~ must be made whenever there is
 7 a sufficient amount of cash available in the tuition fund
 8 but no later than the end of the school fiscal year for
 9 which the budget is adopted. However, if the trustees of
 10 either the sending or receiving high school district feel
 11 the transfer privilege provided by this subsection is being
 12 abused, they may appeal to the county superintendent of
 13 schools, who shall hold a hearing and either approve or
 14 disapprove the transfer."

15 **Section 4.** Section 20-6-401, MCA, is amended to read:

16 **"20-6-401. Definitions.** As used in this part, unless
 17 the context clearly indicates otherwise, the following
 18 definitions apply:

19 (1) "Component districts" ~~are~~ means the elementary or
 20 high school districts incorporated into the enlarged
 21 district.

22 (2) "Eligible pupils" ~~shall--be~~ means the average
 23 number belonging (ANB) ~~for-the-current-school--year~~ in the
 24 operating schools of the component districts and the tuition
 25 pupils residing in the component districts and attending

1 another district's school under the tuition provisions of
 2 the school laws, except that the pupils residing in the
 3 component district having the largest total number of pupils
 4 ~~shall-be are~~ ineligible for bonus payment consideration.

5 (3) "Enlarged district" ~~is~~ means the elementary or
 6 high school district resulting from the consolidation or
 7 annexation of two or more component districts.

8 (4) "General bonus payment" for first- and
 9 second-class school districts ~~shall~~ must be \$300 per
 10 eligible pupil per year for a period of 3 years and ~~will~~
 11 must be deposited in the enlarged district's general fund.
 12 General bonus payment for third-class school districts ~~shall~~
 13 must be \$500 per eligible pupil per year for a period of 3
 14 years and ~~will~~ must be deposited in the enlarged district's
 15 general fund. ~~Such~~ The payment ~~shall~~ must be made from the
 16 state school equalization aid account.

17 (5) "Transportation bonus payment" ~~will--be~~ is the
 18 provision of 66 2/3% state financing of the on-schedule
 19 transportation amount as provided by the transportation
 20 provisions of the school laws. When an eligible pupil is
 21 entitled to transportation, the enlarged district ~~shall-be~~
 22 is entitled to the transportation bonus payment for ~~such~~ the
 23 eligible pupil for a period of 3 years. ~~Such~~ The payment
 24 ~~shall~~ must be made from the state transportation aid
 25 account. When the eligible pupil rides a bus providing

1 transportation for ineligible pupils, the 66 2/3% state
 2 financing of the on-schedule amount for this payment ~~shall~~
 3 must be prorated to provide such financing for the eligible
 4 pupil."

5 **Section 5.** Section 20-7-306, MCA, is amended to read:

6 "20-7-306. Distribution of secondary vocational
 7 education and industrial arts funds. (1) The superintendent
 8 of public instruction shall categorize secondary vocational
 9 programs into one of five weighted categories based upon the
 10 relative additional costs of those programs.

11 (2) The superintendent of public instruction shall
 12 determine the weighted category to be assigned industrial
 13 arts programs.

14 (3) The superintendent of public instruction shall
 15 adjust the weighted categories as necessary to assure that
 16 the procedures outlined in subsections (4) and (5) do not
 17 result in entitlements that exceed the amount appropriated.

18 (4) Funding ~~shall~~ must be based upon the average
 19 number belonging (ANB) ~~to for~~ for secondary vocational education
 20 and industrial arts programs of the high school district in
 21 the year ANB calculation period immediately preceding the
 22 year for which funding is requested. The ANB ~~shall~~ must be
 23 computed for each separate secondary vocational education
 24 and industrial arts program.

25 (5) For secondary vocational education programs, the

1 ANB generated for each category established in subsection
 2 (1) ~~shall~~ must be multiplied by the factor for that
 3 category, and the product ~~thereof~~ ~~shall~~ must be multiplied
 4 by the applicable ANB dollar value established by 20-9-319.
 5 Industrial arts programs ~~shall~~ must be funded at 50% of the
 6 category assigned. The high school district is entitled to
 7 receive for secondary vocational education and industrial
 8 arts, the total of the computation of all secondary
 9 vocational education and industrial arts categories ~~so~~
 10 computed.

11 (6) The superintendent of public instruction shall
 12 annually distribute the funds allocated in this section by
 13 November 1. The money ~~so~~ received by the high school
 14 district ~~must~~ be deposited into the subfund of the
 15 miscellaneous programs fund established by 20-9-507 and
 16 ~~shall~~ may be expended only for approved secondary vocational
 17 education and industrial arts programs. The expenditure of
 18 the money ~~so received~~ ~~shall~~ must be reported in the annual
 19 trustees' report as required by 20-9-213."

20 **Section 6.** Section 20-9-311, MCA, is amended to read:

21 "20-9-311. Calculation of average number belonging
 22 (ANB). (1) Average number belonging ~~shall~~ must be computed
 23 by determining the total of the aggregate days of attendance
 24 by regularly enrolled, full-time pupils during the second
 25 semester of the preceding school fiscal year and the first

1 semester of the current school fiscal year plus the
 2 aggregate days of absence by regularly enrolled, full-time
 3 pupils during the second semester of the preceding school
 4 fiscal year and the first semester of the current school
 5 fiscal year and by dividing ~~such~~ the total by 180. However,
 6 when a school district has approval to operate less than 180
 7 school days under 20-9-804, ~~such~~ the total ~~shall~~ must be
 8 calculated in accordance with the provisions of 20-9-805.
 9 Attendance for a part of a morning session or a part of an
 10 afternoon session by a pupil ~~shall~~ must be counted as
 11 attendance for one-half day. In calculating the ANB for
 12 pupils enrolled in a program established under 20-7-117
 13 prior to January 1, 1974, or pursuant to 20-7-117(1),
 14 attendance at or absence from a regular session of the
 15 program for at least 2 hours of either a morning or an
 16 afternoon session will be counted as one-half ~~of a~~ day
 17 attended or absent as the case may be. If a variance has
 18 been granted as provided in 20-1-302, ANB will be computed
 19 in a manner prescribed by the superintendent of public
 20 instruction, but in no case ~~shall~~ may the ANB exceed
 21 one-half for each kindergarten pupil. When any pupil has
 22 been absent, with or without excuse, for more than 10
 23 consecutive school days, including pupil-instruction-related
 24 days, his absence after the 10th day of absence ~~shall~~ may
 25 not be included in the aggregate days of absence and his

enrollment in the school ~~shall~~ may not be considered in the calculation of the average number belonging until he resumes attendance at school.

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

(3) The average number belonging of the regularly enrolled, full-time pupils for the public schools of a district must be based on the aggregate of all the regularly enrolled, full-time pupils attending the schools of the district, except that when:

(a) a school of the district is located more than 3 miles beyond the incorporated limits of a city or town or from another school of the district, all of the regularly enrolled, full-time pupils of the school must be calculated individually for ANB purposes;

(b) a junior high school has been approved and accredited as a junior high school, all of the regularly enrolled, full-time pupils of the junior high school ~~shall~~

must be considered as high school district pupils for ANB purposes;

(c) a middle school has been approved and accredited, ~~in--which--case~~ all pupils below the 7th grade ~~shall~~ must be considered elementary school pupils for ANB purposes and the 7th and 8th grade pupils ~~shall~~ must be considered high school pupils for ANB purposes; or

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

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

Section 7. Section 20-9-313, MCA, is amended to read:

"20-9-313. Circumstances under which the regular average number belonging may be increased. The average number belonging of a school ~~for-a-given-school-fiscal-year,~~ calculated in accordance with the ANB formula prescribed in

1 20-9-311, may be increased when:

2 (1) the opening of a new elementary school or the
3 reopening of an elementary school has been approved in
4 accordance with 20-6-502. The average number belonging for
5 such the school ~~shall~~ must be established by the county
6 superintendent and approved, disapproved, or adjusted by the
7 superintendent of public instruction.

8 (2) the opening or reopening of a high school or a
9 branch of the county high school has been approved in
10 accordance with 20-6-503, 20-6-504, or 20-6-505. The average
11 number belonging for such the high school ~~shall~~ must be
12 established by the county superintendent's estimate, after
13 an investigation of the probable number of pupils that will
14 attend such the high school.

15 (3) a district anticipates an increase in the average
16 number belonging due to the closing of any private or public
17 school in the district or a neighboring district. The
18 estimated increase in average number belonging ~~shall~~ must be
19 established by the trustees and the county superintendent
20 and approved, disapproved, or adjusted by the superintendent
21 of public instruction no later than the fourth Monday in
22 June.

23 (4) a district anticipates an unusual enrollment
24 increase in the ensuing school fiscal year. The increase in
25 average number belonging ~~shall~~ must be based on estimates of

1 increased enrollment approved by the superintendent of
2 public instruction and ~~shall~~ must be computed in the manner
3 prescribed by 20-9-314.

4 (5) for the initial year of operation of a program
5 established under 20-7-117(1), the ANB to be used for budget
6 purposes is the same as one-half the number of 5-year-old
7 children residing in the district as of September 10 of the
8 preceding school year, either as shown on the official
9 school census or as determined by some other procedure
10 approved by the superintendent of public instruction;

11 (6) a ~~special~~ full-time special pupil, as defined in
12 20-9-311, in a given school fiscal year ~~will~~ may no longer
13 be considered a ~~special~~ full-time special pupil in the
14 ensuing school fiscal year (the superintendent of public
15 instruction may grant one ANB for such the pupil for the
16 ensuing school fiscal year); or

17 (7) a high school district provides early graduation
18 for any student who completes graduation requirements in
19 less than eight semesters or the equivalent amount of
20 secondary school enrollment or when a high school district
21 provides early graduation for a class of students who have
22 completed the requirements for graduation after 175
23 pupil-instruction days in the 12th grade. The increase ~~shall~~
24 must be established by the trustees as though the student
25 had attended to the end of the school fiscal year and ~~shall~~

1 must be approved, disapproved, or adjusted by the
2 superintendent of public instruction."

3 **Section 8.** Section 20-9-314, MCA, is amended to read:

4 "20-9-314. Procedures for determining eligibility and
5 amount of increased average number belonging due to unusual
6 enrollment increase. A district which anticipates an unusual
7 increase in enrollment in the ensuing school fiscal year, as
8 provided for in 20-9-313(4), may increase its foundation
9 program for the ensuing school fiscal year in accordance
10 with the following provisions:

11 ~~{1}--The district shall estimate the current year's~~
12 ~~average number belonging by totaling the aggregate days of~~
13 ~~attendance and aggregate days of absence realized in the~~
14 ~~district through April 30 and dividing such total by 180.~~
15 ~~The resulting average number belonging shall be increased by~~
16 ~~the ratio that the total number of planned school days in~~
17 ~~the current school fiscal year bears to the number of school~~
18 ~~days completed through April 30.~~

19 {2}{1} Prior to May 10, the district shall estimate
20 the probable average number belonging to be realized during
21 the ensuing school fiscal year ANB calculation period, based
22 on as much factual information as may be available to the
23 district.

24 {3}{2} No later than May 10, the district shall submit
25 its application for an unusual enrollment increase to the

1 superintendent of public instruction. Such The application
2 ~~shall~~ must include:

3 (a) the previous year's average number belonging for
4 the preceding ANB calculation period;

5 (b) the estimate of the current school fiscal year's
6 average number belonging ~~as provided in subsection {1}~~
7 above;

8 (c) the estimated average number belonging for the
9 ensuing school fiscal year ANB calculation period, including
10 the factual information on which the estimate is based, as
11 provided in subsection {2} {1} above; and

12 (d) any other information or data that may be
13 requested by the superintendent of public instruction.

14 {4}{3} The superintendent of public instruction shall
15 immediately review all the factors of the application and
16 shall approve or disapprove the application or adjust the
17 estimated average number belonging for the ensuing school
18 fiscal year ANB calculation period. After approving an
19 estimate, with or without adjustment, the superintendent of
20 public instruction shall:

21 (a) determine the percentage increase which that the
22 estimated average number belonging for the ensuing fiscal
23 year ANB calculation period is over the current year's
24 average number belonging; and

25 (b) approve an increase of the average number

1 belonging used to establish the ensuing year's foundation
2 program in accordance with subsection ~~(6)~~ (5) if the
3 increase in subsection ~~(4)(a)~~ (3)(a) is at least 6%.

4 ~~(5)(4)~~ The superintendent of public instruction shall
5 notify the district of his decision by the fourth Monday in
6 June.

7 ~~(6)(5)~~ Whenever an unusual enrollment increase is
8 approved by the superintendent of public instruction, the
9 increase of the average number belonging used to establish
10 the foundation program for the ensuing school-fiscal-year
11 ~~shall-be~~ ANB calculation period is the difference between
12 the approved estimated average number belonging for the
13 ensuing school-fiscal-year ANB calculation period and 106%
14 of the current year's average number belonging. The amount
15 ~~so determined shall-be is~~ the maximum allowable increase
16 added to the actual current average number belonging ~~for-the~~
17 ~~current--school--fiscal-year~~ for the purpose of establishing
18 the ensuing year's foundation program.

19 ~~(7)(6)~~ Any equalization or entitlement increases
20 resulting from provisions of this section ~~shall must~~ be
21 reviewed at the end of the ensuing school fiscal year. If
22 the actual average number belonging is less than the average
23 number belonging used for foundation program and entitlement
24 calculations, the superintendent of public instruction shall
25 revise the foundation program and entitlement calculations

1 using the actual average number belonging. All payments
2 received by the district in excess of the revised
3 entitlements ~~shall-be~~ are overpayments subject to the refund
4 provisions of 20-9-344(3)."

5 **Section 9.** Section 20-9-322, MCA, is amended to read:

6 "20-9-322. Elementary instructional aide funding
7 qualification. (1) Any An elementary school that anticipates
8 an ANB of at least 14 but less than 18 pupils for the
9 ensuing school fiscal year may determine the maximum general
10 fund budget amount under the provisions of 20-9-316(3) or
11 20-9-318(3) if eligibility is approved in accordance with
12 the following provisions:

13 (a) No later than May 10 of each year, the school
14 district shall submit its application for approval for
15 instructional aide funding to the superintendent of public
16 instruction. The application ~~shall must~~ include:

17 (i) the ~~previous-year's~~ ANB for the preceding ANB
18 calculation period;

19 (ii) ~~an--estimate--of~~ the current school-fiscal-year's
20 ~~ANB,--as-calculated-under-the-provisions-of-20-9-314(i),~~ and
21 the number of grade levels being taught on May 1 of the
22 current year;

23 (iii) an estimate of the ANB and the number of grade
24 levels anticipated for the ensuing school-fiscal-year ANB
25 calculation period;

1 (iv) the factual information on which ~~such--estimates~~
2 are the estimate is based; and

3 (v) any other information or data that may be required
4 by the superintendent of public instruction.

5 (b) The superintendent of public instruction shall
6 immediately review all of the factors of the application and
7 shall approve the application if the anticipated ANB is at
8 least 14 but less than 18 pupils and a minimum of five grade
9 levels are being taught as of May 1 of the current year or
10 documentation is provided which that indicates that the
11 anticipated ANB will require a minimum of five grade levels
12 to be taught in the ensuing school year.

13 (2) Whenever a school district applies for and is
14 approved for instructional aide funding under the provisions
15 of subsection (1), the district ~~must~~ shall hire an
16 instructional aide.

17 (3) For the purposes of this section, the term
18 "instructional aide" means:

19 (a) a person who is under the direct supervision of a
20 teacher; or

21 (b) a certified teacher."

22 **Section 10.** Section 20-9-532, MCA, is amended to read:

23 "20-9-532. Calculation and distribution of retirement
24 equalization aid. (1) The superintendent of public
25 instruction shall administer the distribution of retirement

1 equalization aid by:

2 (a) determining the estimated revenue available from
3 the net lottery revenue as provided in 23-5-1027;

4 (b) establishing a list containing each county that
5 levied in the prior school fiscal year in excess of 9 mills
6 to fund its required contribution for retirement fund
7 obligations;

8 (c) establishing the estimated dollar amount per
9 average number belonging (ANB) by dividing the amount
10 determined in subsection (1)(a) by the total ANB of the
11 counties listed pursuant to subsection (1)(b) for the prior
12 school-fiscal-year preceding ANB calculation period;

13 (d) notifying the county superintendent of each county
14 listed in subsection (1)(b) by the fourth Monday in July of
15 the estimated retirement equalization aid available to the
16 county, calculated separately for elementary and high school
17 districts and prorated as specified in 20-9-501 for any
18 joint school district, so that each county superintendent
19 may use the amounts in the manner prescribed in 20-9-501 to
20 calculate the retirement fund levy requirements for
21 elementary and high school districts in the county;

22 (e) distributing by October 1 the amount of retirement
23 equalization aid for each county listed pursuant to
24 subsection (1)(b); and

25 (f) keeping a record of the complete data concerning

1 revenue available for retirement equalization aid and the
2 distribution of such the aid.

3 (2) If the actual proceeds available for retirement
4 equalization are not sufficient to finance the estimated
5 dollar amount per ANB provided for in subsection (1)(c),
6 each county listed pursuant to subsection (1)(b) must
7 receive a prorated amount."

8 NEW SECTION. Section 11. Extension of authority. Any
9 existing authority to make rules on the subject of the
10 provisions of [this act] is extended to the provisions of
11 [this act].

12 NEW SECTION. Section 12. Effective date --
13 APPLICABILITY. [This act] is effective July 1, 1989, AND
14 APPLIES TO SCHOOL BUDGETS AND FOUNDATION PROGRAM SUPPORT FOR
15 SCHOOL FISCAL YEARS BEGINNING AFTER JUNE 30, 1990.

-End-