

HOUSE BILL 674

Introduced by Kadas

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| 2/13 | Introduced |
| 2/13 | Referred to Education & Cultural Resources |
| 2/15 | Fiscal Note Requested |
| 2/17 | Hearing |
| 2/17 | Tabled in Committee |
| 2/21 | Fiscal Note Received |

1 House BILL NO. 674
2 INTRODUCED BY Kaden Park
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR K-12
5 SCHOOL DISTRICTS IN THE STATE BY REQUIRING THAT EACH HIGH
6 SCHOOL DISTRICT UNIFY WITH THE ELEMENTARY DISTRICTS WITHIN
7 THE HIGH SCHOOL DISTRICT BOUNDARIES; TO ELIMINATE CLASSES OF
8 DISTRICTS; TO PROVIDE METHODS FOR ELECTING TRUSTEES OF
9 UNIFIED DISTRICTS; TO ELIMINATE THE DESIGNATION OF COUNTY
10 HIGH SCHOOLS; TO PROVIDE FOR PROTECTION OF EMPLOYEE
11 CONTRACTS AND TEACHER TENURE RIGHTS UNDER UNIFICATION OF
12 DISTRICTS; TO CONSOLIDATE THE BASIC COUNTY LEVIES UNDER ONE
13 LEVY FOR UNIFIED DISTRICTS OF A COUNTY; TO GENERALLY REVISE
14 THE LAWS RELATING TO DISTRICTS TO PROVIDE FOR UNIFIED SCHOOL
15 DISTRICTS; AMENDING SECTIONS 20-3-305, 20-3-307, 20-3-308,
16 20-3-311, 20-3-312, 20-3-321, 20-3-338, 20-3-362, 20-4-401,
17 20-5-311 THROUGH 20-5-313, 20-6-101, 20-6-213, 20-6-325,
18 20-6-402, 20-6-403, 20-6-501, 20-6-503, 20-6-602, 20-7-705,
19 20-9-313, 20-9-335, 20-9-347, 20-9-348, 20-9-402, 20-9-403,
20 20-9-532, 20-10-131, AND 20-10-144, MCA; REPEALING SECTIONS
21 20-3-302, 20-3-337, 20-3-341 THROUGH 20-3-344, 20-3-351
22 THROUGH 20-3-356, 20-5-301 THROUGH 20-5-307, 20-6-102,
23 20-6-201, 20-6-204, 20-6-206, 20-6-216, 20-6-217, 20-6-301,
24 20-6-303, 20-6-304, 20-6-307 THROUGH 20-6-309, 20-6-311
25 THROUGH 20-6-321, 20-6-502, 20-6-505, 20-6-508, 20-9-333,

1 AND 20-9-452 THROUGH 20-9-455, MCA; AND PROVIDING AN
2 EFFECTIVE DATE."
3

4 WHEREAS, there is widespread public interest in Montana
5 in recognizing the economic reality of limited financial
6 resources within the state, even for funding such an
7 important public obligation as the state's public school
8 system; and

9 WHEREAS, much public dialogue about conserving the
10 state's limited resources and providing a basic quality
11 public education system has centered on the possibility of
12 more cost-efficient organization and administration of the
13 state's numerous school districts; and

14 WHEREAS, it is possible and desirable to organize the
15 state's school elementary school and high school districts
16 into K-12 systems in order to deliver an equitable public
17 education system in a more cost-effective manner.
18

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

20 NEW SECTION. Section 1. Purpose. It is the intent of
21 the legislature to:

22 (1) provide that each elementary school and high
23 school district become part of a unified school district,
24 offering a program of instruction from kindergarten through
25 grade 12;

(2) improve the provision of public education in Montana by reducing the number of school districts while maintaining as many attendance units as are in the best interest of pupils who now attend such units;

(3) simplify and make more efficient the administration of the public elementary schools and high schools of the state;

(4) provide adequate, more equalized funding to school districts to ensure that districts will be able to provide the basic free quality education system required by the Montana constitution and to meet the standards of school accreditation established by the board of public education as the basic instructional program for the public schools of Montana;

(5) guarantee that any state or local cost savings that result from school district unification will be shared between the school districts and the property taxpayers of the districts;

(6) distribute more equitably to the taxpayers of the state the cost of public school education; and

(7) provide for methods of nominating and electing trustees within a unified school district.

NEW SECTION. Section 2. Kindergarten through grade twelve districts -- effective dates. (1) By the school fiscal year beginning July 1, 1991, each high school

district and each elementary school district within the boundaries of the high school district must be unified to form a kindergarten through grade 12 school district.

(2) By the school fiscal year beginning July 1, 1991, each high school district operating a county high school and the elementary school districts within the boundaries of the high school district must be unified to form a kindergarten through grade 12 school district, except as provided in subsection (3).

(3) If a high school in a high school district operating a county high school prior to [the effective date of this act] is located more than 20 miles from another high school in the district, the trustees of the elementary school district nearest the high school may petition in the manner provided in 20-6-317 to incorporate territory from the high school district operating a county high school to create a unified school district that includes operation of a high school.

NEW SECTION. Section 3. Moratorium on trustee elections. (1) A trustee may not be elected in 1991 for a school district in existence until July 1, 1991. The elected trustees of the district shall hold office until July 1, 1991.

(2) The school districts that must unify by July 1, 1991, shall elect a board of trustees in April 1991 in the

1 manner provided for in [section 8]. The election must be
2 called and held in the manner provided in 20-3-304.

3 (3) The elected trustees of a unified district shall
4 coordinate with the trustees of any district in existence
5 until July 1, 1991, to prepare a budget and an operations
6 plan for the unified district.

7 NEW SECTION. Section 4. Contracts protected. A
8 district superintendent, principal, teacher, or other
9 employee of a school district who has a continuing contract
10 or right of tenure under Montana law is protected and the
11 board of trustees of the unified school district in which
12 the person will perform duties shall recognize and give
13 effect to the contract or the right of tenure.

14 NEW SECTION. Section 5. Disposition of records of
15 unified school districts. All files and records of a school
16 district that is included in a unified school district must
17 be lodged with the unified school district.

18 NEW SECTION. Section 6. Inclusion of districts into a
19 unified district. (1) When the territory of a school
20 district that is included in a unified district becomes a
21 part of the territory of the unified district, all of the
22 tangible property, real and personal, of the district
23 becomes the property of the unified district and all funds
24 remaining to the credit of the district after providing for
25 payment of outstanding debts, except bonded indebtedness,

1 must be transferred to the unified district.

2 (2) Any unpaid taxes levied against property in the
3 district must be credited to the unified district as
4 follows:

5 (a) taxes levied for the retirement of bonded
6 indebtedness must be credited to the sinking fund for the
7 bonds if any portion remains unpaid, or if the indebtedness
8 has been paid in full, the payment must be credited to the
9 general fund of the unified district; and

10 (b) all other unpaid taxes levied for the district
11 must be credited to the general fund of the unified
12 district.

13 NEW SECTION. Section 7. Annexation of a high school
14 district to another unified district. When the territory of
15 a high school district operating a county high school
16 district is annexed to and becomes part of another unified
17 district under the provisions of [section 2], all of the
18 tangible property, real and personal, must be apportioned in
19 the following manner:

20 (1) Property of the district that is situated in the
21 portion of the territory of the district annexed to a
22 unified district must become the property of the unified
23 district receiving the territory in which the property is
24 situated.

25 (2) The value of all tangible property of a district

1 and the intangible property not having a fixed value must be
2 determined. If no agreement can be reached, appraisers may
3 be appointed by the district court of the county in which
4 the property is located, and the appraisers shall make an
5 appraisal and report on the property.

6 (3) The total value of tangible and intangible
7 property of the high school district to be included in a
8 unified district must be determined and each unified
9 district is entitled to share in the assets of the district
10 in the ratio that the total taxable value of the district
11 territory annexed to the unified districts bears to the
12 total taxable value of the district. If, because of the
13 valuation of tangible property situated in a unified
14 district, the unified district will receive a greater share
15 of the assets of the district than its proportionate share
16 based on the ratio of taxable valuation, the unified
17 district shall issue warrants to another unified district
18 receiving less than its proportionate share of assets of the
19 district in an amount equal to the excess.

20 (4) All indebtedness of the high school district,
21 except bonded indebtedness, remaining unpaid after applying
22 all available funds must be the joint and several liability
23 of the unified districts and the indebtedness must be
24 apportioned to and assumed by the unified districts in the
25 same ratio that the total taxable valuation of the territory

1 of the district annexed to a unified district bears to the
2 total taxable valuation of the district.

3 (5) Any bonded indebtedness of the high school
4 district remains an indebtedness against all of the taxable
5 property within the territory of the high school district
6 against which the bonds were originally issued and must be
7 paid out of levies to be made against the taxable property.

8 NEW SECTION. Section 8. Board of trustees for unified
9 district. Each unified school district must have a board of
10 seven trustees. The board of trustees must be nominated and
11 elected in one of the following procedures:

12 (1) The unified school district may be divided into
13 trustee districts that:

14 (a) are as compact and equal in population and area
15 as possible; and

16 (b) provide equitable voting rights for the minorities
17 residing within the unified district by ensuring that the
18 access of minorities to the political process is not diluted
19 in contravention of the Voting Rights Act Amendments of
20 1982, Public Law 97-205;

21 (c) provide for nomination and election of trustees as
22 provided in 20-3-338; or

23 (2) The trustees of the unified school district may be
24 nominated and elected at large in the district as provided
25 in 20-3-305.

NEW SECTION. Section 9. Legislative intent to elect less than majority of trustees. (1) It is the intent of the legislature that the terms of a majority of the trustee positions of any unified school district may not regularly expire and be subject to election on the same regular school election day. Therefore, in each unified school district not more than three trustee positions may be filled at the same time.

(2) While it is the intention of the legislature that the terms of a majority of trustees of any unified school district may not regularly expire and be subject to election at the same time, it is recognized that the following circumstances, relating to the terms of trustees appointed to newly created positions or to positions vacated by death, resignation, or operation of law, may lead to a subsequent school election in which a majority of trustee positions are subject to election at the same time:

(a) the filling of a trustee position which has become vacant under the provisions of 20-3-308 or any other provision of law; or

(b) any other circumstance arising under the law wherein a trustee position is filled by appointment subject to election at the next regular school election.

Section 10. Section 20-3-305, MCA, is amended to read:

"20-3-305. Candidate qualification and nomination. (1)

Except as provided in 20-3-338, any person who is qualified to vote in a district under the provisions of 20-20-301 ~~shall be~~ is eligible for the office of trustee.

(2) Except as provided in 20-3-338, any five electors qualified under the provisions of 20-20-301 of any district, ~~except--a--first-class--elementary-district,~~ may nominate as many trustee candidates as there are trustee positions subject to election at the ensuing election. The name of each person nominated for candidacy shall be submitted to the clerk of the district not less than 40 days before the regular school election day at which he is to be a candidate. If there are different terms to be filled, the term for which each candidate is nominated shall also be indicated."

Section 11. Section 20-3-307, MCA, is amended to read:

"20-3-307. Qualification and oath. (1) Any person who receives a certificate of election as a trustee under the provisions of 20-20-416 ~~shall~~ may not assume the trustee position until he has qualified. ~~Such A~~ person shall qualify by completing and filing an oath of office with the county superintendent not more than 15 days after the receipt of the certificate of election. ~~After~~ Except as provided in [section 3], after a person has qualified for a trustee position, he shall hold ~~such~~ the position for the term of the position and until his successor has been elected or

1 appointed and has been qualified.

2 (2) If the elected person does not qualify in
3 accordance with this requirement, a person shall be
4 appointed in the manner provided by 20-3-309 and shall serve
5 until the next regular election."

6 **Section 12.** Section 20-3-308, MCA, is amended to read:

7 "20-3-308. Vacancy of trustee position. (1) Any
8 elected trustee position ~~shall--be~~ is vacant whenever the
9 incumbent:

10 (a) dies;

11 (b) resigns;

12 (c) moves his residence from the applicable district
13 or from the ~~nominating a trustee district in the case of an~~
14 ~~additional trustee in a high school district~~ as provided in
15 20-3-338;

16 (d) is no longer a registered elector of the district
17 under the provisions of 20-20-301;

18 (e) is absent from the district for 60 consecutive
19 days;

20 (f) fails to attend three consecutive meetings of the
21 trustees without a good excuse;

22 (g) has been removed under the provisions of 20-3-310;
23 or

24 (h) ceases to have the capacity to hold office under
25 any other provision of law.

1 (2) A trustee position is also ~~shall--be~~ vacant when an
2 elected candidate fails to qualify under the provisions of
3 20-3-307."

4 **Section 13.** Section 20-3-311, MCA, is amended to read:

5 "20-3-311. Trustee travel reimbursement and
6 compensation of secretary for joint board. The members of
7 the trustees of any district ~~shall~~ may not receive
8 compensation for their services as trustees, except that the
9 ~~secretary--of--the--trustees--of--a--high--school--district~~
10 ~~operating a county high school or~~ the secretary of a joint
11 board of trustees may be compensated for his services as the
12 secretary. The members of the trustees who reside over 3
13 miles from the trustees' meeting place shall be reimbursed
14 at the rate as provided in 2-18-503, for every mile
15 necessarily traveled between their residence and the meeting
16 place and return in attending the regular and special
17 meetings of the trustees, and all trustees shall be
18 similarly reimbursed for meetings called by the county
19 superintendent. The travel reimbursement may be accumulated
20 during the school fiscal year and paid at the end of the
21 fiscal year, at the discretion of each trustee."

22 **Section 14.** Section 20-3-312, MCA, is amended to read:

23 "20-3-312. Trustees of district affected by boundary
24 change. The Except as provided in [section 3], the trustees
25 of any unified district to which the territory of another

1 district is attached as a result of annexation, abandonment,
 2 joint district dissolution, territory transfer, or any other
 3 method of changing district boundaries, except by the
 4 consolidation of elementary districts or by the creation of
 5 a new elementary district, shall continue to be the trustees
 6 of such the district with the same powers, duties, and
 7 responsibilities and subject to the same limitations
 8 provided by law, as if there had been no boundary change. In
 9 the case of elementary district consolidation or the
 10 creation of a new elementary district, the appointed
 11 trustees of the resulting elementary district shall assume
 12 their trustee positions under the authority of 20-6-203 or
 13 20-6-216, whichever is applicable."

14 **Section 15.** Section 20-3-321, MCA, is amended to read:

15 "20-3-321. Organization and officers. (1) The trustees
 16 of each district shall annually organize as a governing
 17 board of the district after the regular election day and
 18 after the issuance of the election certificates to the newly
 19 elected trustees, but not later than the third Saturday of
 20 April. In order to organize, the trustees of the district
 21 shall be given notice of the time and place where the
 22 organization meeting will be held, and at such the meeting
 23 they shall choose one of their number as the chairman. In
 24 addition, ~~except for the trustees of a high school district~~
 25 ~~operating a county high school,~~ the trustees shall employ

1 and appoint a competent person, who is not a member of the
 2 trustees, as the clerk of the district. ~~The--trustees--of--a~~
 3 ~~high--school--district--operating-a-county-high-school-shall~~
 4 ~~appoint-a-secretary--who-shall-be-a-member-of-the-board.~~

5 (2) The chairman of the trustees of any district shall
 6 serve until the next organization meeting and shall preside
 7 at all the meetings of the trustees in accordance with the
 8 customary rules of order. He shall perform the duties
 9 prescribed by this title and any other duties that normally
 10 pertain to such that officer."

11 **Section 16.** Section 20-3-338, MCA, is amended to read:

12 "20-3-338. Trustees elected by single-member district.

13 (1) At each annual election provided for in 20-3-304, each
 14 trustee candidate in a single-member trustee district must
 15 be a qualified elector of the trustee district and have
 16 resided in the trustee district to be represented for at
 17 least 1 year prior to becoming a candidate for the trustee
 18 position.

19 (2) Nomination of trustee candidates under the
 20 provisions of 20-3-305 ~~and 20-3-344~~ must be by electors of
 21 the trustee district.

22 (3) The election of each trustee must be submitted to
 23 the electors in the trustee district who are qualified to
 24 vote under the provisions of 20-20-101."

25 **Section 17.** Section 20-3-362, MCA, is amended to read:

1 "20-3-362. Powers of joint board of trustees. (1) When
2 a joint board of trustees is formed as provided by 20-3-361,
3 it shall have the power to:

4 (a) jointly employ a district superintendent under the
5 provisions of 20-4-401;

6 (b) jointly employ teachers and specialists under the
7 provisions of 20-4-201;

8 (c) ~~open a junior high school under the provisions of~~
9 ~~20-6-505 if the trustees of a county high school and the~~
10 ~~trustees of an elementary district have formed a joint board~~
11 ~~of trustees;~~

12 {d} prescribe and administer joint administrative
13 policy;

14 {e}{d} jointly provide any program or service
15 authorized under 20-3-324; and

16 {f}{e} prorate all items of joint expense among the
17 school districts, provided that a controversy over any
18 decision by the joint board to prorate joint costs may,
19 within 30 days, be appealed by the trustees of any district
20 to the superintendent of public instruction for a final
21 decision as to what constitutes a fair and just proration of
22 the cost.

23 (2) The joint board of trustees ~~shall~~ does not have
24 the power to transact business that is not specifically
25 related to the joint administration of the districts."

1 **Section 18.** Section 20-4-401, MCA, is amended to read:

2 "20-4-401. Appointment and dismissal of district
3 superintendent or county high school principal. (1) The
4 trustees of any high school district, except a county high
5 school, and the trustees of the elementary district where
6 its high school building is located shall jointly employ and
7 appoint a district superintendent. The trustees of a county
8 high school shall employ and appoint a district
9 superintendent, except that they may employ and appoint a
10 holder of a class 3 teacher certificate with a district
11 superintendent endorsement as the county high school
12 principal in lieu of a district superintendent. The trustees
13 of any other a unified district may employ and appoint a
14 district superintendent.

15 {2} Whenever a joint board of trustees has been formed
16 by a county high school and the elementary district where
17 the county high school is located, such joint board shall
18 jointly employ and appoint a district superintendent. During
19 the term of contract of the jointly appointed district
20 superintendent, neither district shall separately employ and
21 appoint a district superintendent or county high school
22 principal.

23 {3} School {2} Unified districts other than those
24 provided in subsection {2} that form a joint board of
25 trustees may jointly employ and appoint a district

1 superintendent as allowed in 20-3-361.

2 ~~{4}{3}~~ The written contract of employment of a
3 district superintendent ~~or--a-county-high-school-principal~~
4 ~~shall~~ must be authorized by the proper resolution of the
5 trustees of the district or the joint board of trustees and
6 executed in duplicate by the chairman of the trustees or
7 joint board of trustees and the clerks of the districts in
8 the name of the districts and by the district superintendent
9 ~~or-the-county-high-school-principal~~. Such The contract shall
10 be for a term of not more than 3 years, and after the second
11 successive contract, the contract shall be ~~deemed~~ considered
12 to be renewed for a further term of 1 year from year to year
13 thereafter unless the trustees shall, by resolution passed
14 by a majority vote of its membership, resolve to terminate
15 the services of the district superintendent ~~or--the--county~~
16 ~~high--school--principal~~ at the expiration of his the existing
17 contract. The trustees shall take ~~such~~ the termination
18 action and notify the district superintendent ~~or-the-county~~
19 ~~high--school--principal~~ in writing of their intent to
20 terminate his the district superintendent's services at the
21 expiration of his the current contract not later than
22 February 1 of the last year of such contract.

23 ~~{5}{4}~~ Whenever a joint board of trustees employs a
24 person as the district superintendent under subsection (2)
25 ~~or--{3}~~, the districts shall prorate the compensation

1 provided by the contract of employment on the basis of the
2 number of teachers employed by each district.

3 ~~{6}{5}~~ At any time the class 3 teacher certification
4 or the endorsement of the certificate of a district
5 superintendent ~~or--a-county--high--school--principal~~ that
6 qualifies such the person to hold such the position becomes
7 invalid, the trustees of the district or the joint board of
8 trustees shall discharge such the person as the district
9 superintendent ~~or-county-high-school-principal~~ regardless of
10 the unexpired term of his the contract. The trustees ~~shall~~
11 may not compensate him the district superintendent under the
12 terms of his the contract for any services rendered
13 subsequent to the date of the invalidation of his the
14 teacher certificate.

15 ~~{7}{6}~~ No A district superintendent ~~or--county--high~~
16 ~~school--principal--shall~~ may not engage in any work or
17 activity which the trustees ~~may--deem~~ consider to be in
18 conflict with his the duties and employment as the district
19 superintendent ~~or-county-high-school-principal~~."

20 **Section 19.** Section 20-5-311, MCA, is amended to read:

21 ~~"20-5-311. High-school-tuition~~ Tuition between unified
22 districts. (1) Any child may be enrolled in and attend a
23 high unified school district outside of the high unified
24 school district in which he resides when ~~such--high~~ the
25 school district is located in Montana or in a county of

1 another state that is adjacent to the state of Montana. When
 2 a parent or guardian of a child wishes to have his child
 3 attend a school under the provisions of this section, he
 4 shall apply to the county superintendent of the county of
 5 his residence before July 1 of the school fiscal year for
 6 which he seeks approval except in those cases when
 7 substantial changes in circumstances occurred subsequently
 8 to justify later application. ~~Such~~ The application shall be
 9 made on a tuition agreement form supplied by the county
 10 superintendent. The trustees of the district of residence,
 11 the trustees of the district in which the child wishes to
 12 attend school, and the county superintendent are the
 13 approval agents for tuition to another high unified school
 14 district within the county. The county superintendent of
 15 the county of residence and the trustees of the district in
 16 which the child wishes to attend school are the approval
 17 agents for attendance outside the county.

18 (2) (a) (i) The approval agents shall approve a
 19 tuition application when a child lives closer to a high
 20 school of another unified district than any high school
 21 located within his resident district or when, due to road or
 22 geographic conditions, it is impractical to attend the high
 23 school nearest his residence.

24 (ii) However, the approval agents are not required to
 25 approve a tuition application for a student seeking to

1 attend a high school outside the state of Montana or the
 2 resident district if the resident district provides
 3 transportation. This exception does not apply when:

4 (A) the child resides in a county different from the
 5 county ~~wherein~~ where the school he wishes to attend is
 6 located; or

7 (B) the child has enrolled in a high school outside
 8 his resident district and has received an approved tuition
 9 agreement on or before April 30, 1985. For the purposes of
 10 this subsection (2)(a)(ii)(B), the child has the right to
 11 continue his ~~high--school~~ education in the receiving high
 12 school outside his resident district on an approved tuition
 13 agreement, subject to the provisions of this section.

14 (b) The approval agents shall approve a tuition
 15 application when a child, as a result of a court order, is
 16 required to attend high school outside the district of
 17 residence:

18 (i) but within the state of Montana or another state
 19 that maintains a reciprocal tuition agreement under
 20 20-5-314; or

21 (ii) in a state that does not have a reciprocal tuition
 22 agreement pursuant to 20-5-314. The amount of daily tuition
 23 may not be greater than the average daily cost per student
 24 in the district of residence. The amount of annual tuition
 25 may not be greater than the average annual cost per student

1 in the district of residence. The county superintendent
2 shall calculate the average annual and the average daily
3 cost per student. For purposes of this subsection (b), the
4 following do not apply:

5 (A) an order issued under Title 40, chapter 4, part 2;

6 (B) placement of a child pursuant to Title 20, chapter
7 7, part 4.

8 (c) In approving a tuition agreement under this
9 provision, the approval agents may require the child to
10 attend the high school closest to his residence. The
11 approval agents may approve any other tuition application
12 that satisfies the geographic requirements of this section.

13 (3) The trustees of the district where the child
14 wishes to attend school shall approve or disapprove any
15 tuition application submitted to them under the provisions
16 of this section within 15 days after the receipt of the
17 application.

18 (4) The county superintendent shall notify the parent
19 or guardian and the trustees of the district where the child
20 wishes to attend school of the tuition agreement approval or
21 disapproval. If a tuition agreement is disapproved by one or
22 more approval agents, the parent may appeal such the
23 disapproval to the county superintendent and, subsequently,
24 to the superintendent of public instruction under the
25 provision for the appeal of controversies in this title.

1 (5) The approval of any tuition agreement by all of
2 the applicable approval agents or upon appeal shall
3 authorize the child named in such the agreement to enroll in
4 and attend the school named in such the agreement for the
5 ensuing school fiscal year."

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

7 "20-5-312. Reporting, budgeting, and payment for high
8 school tuition. (1) Except as provided in subsection (2), at
9 the close of the school term of each school fiscal year, the
10 trustees of each high unified school district shall
11 determine the rate of tuition for the current school fiscal
12 year by:

13 (a) totaling the actual expenditures from the district
14 general fund, the debt service fund, and, if the pupil is a
15 resident of another county, the retirement fund;

16 (b) dividing the amount determined in subsection
17 (1)(a) above by the ANB of the district for the current
18 fiscal year, as determined under the provisions of 20-9-311;
19 and

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

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

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

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

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

(c) the amount, if any, of each pupil's tuition payment that the trustees, in their discretion, ~~shall~~ have the authority to waive; and

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

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

(5) When the district superintendent receives a tuition report or reports for ~~high-school~~ pupils residing in his district and attending an out-of-district ~~high~~ school

under approved tuition agreements, he shall determine the total amount of tuition due ~~such~~ the out-of-district ~~high~~ schools on the basis of the following per-pupil schedule: the rate of tuition, number of pupils attending under an approved tuition agreement, and other information provided by each ~~high~~ school district where resident district pupils have attended school.

(6) The total amount of the ~~high-school~~ tuition, with consideration of any tuition waivers, for pupils attending a ~~high unified~~ school district outside the county of residence shall be financed by the county basic ~~special~~ tax ~~for--high~~ schools as provided in 20-9-334. In December, the county superintendent shall cause the payment by county warrant of at least one-half of the ~~high-school~~ tuition obligations established under this section out of the first moneys 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 be made to the county treasurer of the county where each ~~high--school~~ unified district entitled to tuition is located. The county treasurer shall credit ~~such~~ tuition receipts to the general fund of the applicable ~~high-school~~ unified district, and the tuition receipts shall be used in accordance with the provisions of 20-9-141.

(7) For pupils attending a high school outside their

1 district of residence but within the county of residence,
 2 the total amount of the tuition, with consideration of any
 3 tuition waivers, must be paid during the ensuing school
 4 fiscal year. The trustees of the sending high-school unified
 5 district shall include the tuition amount in the tuition
 6 fund of the preliminary and final budgets. This budgeted
 7 tuition amount is not subject to the budget adjustment
 8 provisions of 20-9-132. The county superintendent shall
 9 report the net tuition fund levy requirement for each high
 10 school unified district to the county commissioners on the
 11 second Monday of August, and a levy on the district shall be
 12 made by the county commissioners in accordance with
 13 20-9-142. This levy requirement shall be calculated by
 14 subtracting from the total expenditure amount authorized in
 15 the final tuition fund budget the sum of the cash balance in
 16 the tuition fund at the end of the immediately preceding
 17 school fiscal year plus any other anticipated money that may
 18 be realized in the tuition fund. The trustees shall pay by
 19 warrants drawn on the tuition fund the tuition amounts owed
 20 to each district included in the county superintendent's
 21 notification. Payments shall be made whenever there is a
 22 sufficient amount of cash available in the tuition fund but
 23 no later than the end of the school fiscal year for which
 24 the budget is adopted. However, if the trustees of either
 25 the sending or receiving high-school unified district feel

1 the transfer privilege provided by this subsection is being
 2 abused they may appeal to the county superintendent of
 3 schools who shall hold a hearing and either approve or
 4 disapprove the transfer."

5 **Section 21.** Section 20-5-313, MCA, is amended to read:

6 "20-5-313. Individual tuition for high school pupil.

7 (1) Any child eligible to attend high school may attend
 8 school in the high--school unified district in which he
 9 resides without payment of tuition.

10 (2) No A provision of this title ~~shall~~ may not be
 11 construed to deny a parent the right to send his child, at
 12 his own expense, to any high school outside of his district
 13 of residence when the parent agrees to pay the tuition
 14 acceptable to the trustees of the high--school receiving
 15 unified district ~~operating--such--high--school~~. When the
 16 attendance is approved, the parent shall pay tuition at the
 17 rate fixed by the trustees. However, under this section,
 18 tuition as determined in 20-5-312 shall be reduced by the
 19 amount the parent of the child paid in district and county
 20 property taxes during the immediately preceding school
 21 fiscal year for the benefit and support of the district in
 22 which the child will attend school.

23 (3) (a) For the purposes of this section, "parent"
 24 includes an individual shareholder of a domestic corporation
 25 as defined in 35-1-102 whose shares are 95% held by related

1 family members to the sixth degree of consanguinity or by
2 marriage to the sixth degree of affinity.

3 (b) The tax amount to be credited to reduce any
4 tuition charge to a parent under this subsection is
5 determined in the following manner:

6 (i) determine the percentage of the total shares of
7 the corporation held by the shareholder parent or parents;

8 (ii) determine the portion of property taxes paid in
9 the preceding school fiscal year by the corporation for the
10 benefit and support of the district in which the child will
11 attend school.

12 (c) The percentage of total shares as determined in
13 subsection (3)(b)(i) is the percentage of taxes paid as
14 determined in subsection (3)(b)(ii) that is to be credited
15 to reduce the tuition charge."

16 **Section 22.** Section 20-6-101, MCA, is amended to read:

17 "20-6-101. Definition of elementary-and-high unified
18 school districts. (1) As used in this title, except as
19 defined in 20-9-402 for bonding purposes or unless the
20 context clearly indicates otherwise, the term "unified
21 district" means the territory, regardless of county
22 boundaries, organized under the provisions of [section 2]
23 and this title to provide public educational services under
24 the jurisdiction of the trustees prescribed by this title.
25 High school--districts--may--encompass--all-or-parts-of-the

1 territory-of-one-or-more-elementary-districts;

2 (2) An elementary school of a unified district is a
3 district school organized for the purpose of providing
4 public education for all grades up to and including grade 8
5 and for preschool programs and kindergartens. A high school
6 of a unified district is a district school organized for the
7 purpose of providing those public educational services
8 authorized by this title for all grades beyond grade 8,
9 including--postsecondary--programs, except those programs
10 administered by community college districts or the Montana
11 university system.

12 (3) An-elementary A unified district shall be known as
13 "Unified District No., County" and--a--high
14 school--district,--except--a--high--school--district--where--a
15 county-high-school-is-operated,--shall--be--known--as--"High
16 School--District--No. County". Any district
17 shall be a body corporate and, as such a body corporate, may
18 sue and be sued, contract and be contracted with, and
19 acquire, hold, use, and dispose of real or personal property
20 for school purposes, within the limitations prescribed by
21 law. Unless-the-context-clearly--indicates--otherwise,--the
22 trustees--of--elementary-districts-and-high-school-districts
23 shall--have--the--same--types--of--powers,--duties,--and
24 responsibilities--authorized--and--imposed--by--the--laws-of
25 Montana;

1 ~~{4}--Unless the context clearly indicates otherwise, an~~
 2 ~~elementary district operating a high school in a county that~~
 3 ~~has not been divided into high school districts shall be~~
 4 ~~considered a high school district under this title and the~~
 5 ~~trustees of the elementary district shall be the trustees of~~
 6 ~~the high school district. Such an elementary district~~
 7 ~~operating a high school shall not have the bonding authority~~
 8 ~~of a high school district. However, the elementary district~~
 9 ~~may exercise its bonding authority in the manner provided~~
 10 ~~by law for high school purposes.~~

11 ~~{5}--As used in this title, unless the context clearly~~
 12 ~~indicates otherwise, a county high school shall be~~
 13 ~~considered a high school district subject to the limitations~~
 14 ~~prescribed by law for a county high school as a result of~~
 15 ~~its being a part of the county government. The boundaries of~~
 16 ~~the high school district for a county high school shall be:~~

17 ~~(a) the high school district boundaries established by~~
 18 ~~the county high school boundary commission; or~~

19 ~~(b) if no such boundaries have been established, the~~
 20 ~~county boundaries, except for any territory located in a~~
 21 ~~joint high school district.~~

22 ~~{6}--Any county high school recognized as a high school~~
 23 ~~district under the provisions of subsection {5}(b) above~~
 24 ~~shall not have a bonding authority. Instead, the county~~
 25 ~~shall exercise its bonding authority in the manner provided~~

1 ~~in 20-9-451.~~"

2 **Section 23.** Section 20-6-213, MCA, is amended to read:

3 "20-6-213. Transfer of territory from one elementary
 4 unified district to another. (1) A majority of the electors
 5 of any elementary unified district who are qualified to vote
 6 under the provisions of 20-20-301 and who reside in
 7 territory which is a part of an elementary a unified
 8 district may petition the county superintendent to transfer
 9 such territory to another elementary unified district when:

10 (a) such the territory is contiguous to the district
 11 to which it is to be attached;

12 (b) such the territory is not located within 3 miles,
 13 over the shortest practical route, of an operating school of
 14 the district from which it is to be detached;

15 (c) the transfer of such territory will not reduce the
 16 taxable value of the district to less than \$100,000 unless
 17 the remaining territory of the district will contain not
 18 less than 50,000 acres of nontaxable Indian land; and

19 (d) the board of trustees of the school district that
 20 would receive the territory has approved the transfer.

21 (2) The petition shall be addressed to the county
 22 superintendent and shall:

23 (a) describe the territory that is requested to be
 24 transferred and to what district it is to be transferred;

25 (b) state the reasons why such the transfer is

1 requested; and

2 (c) state the number of elementary school-age children
3 residing in such the territory.

4 (3) On receipt of a valid petition for a territory
5 transfer, the county superintendent shall:

6 (a) file such the petition;

7 (b) set a hearing place, date, and time for
8 consideration of the petition that is not more than 40 days
9 after receipt of the petition; and

10 (c) give notice of the place, date, and time of the
11 hearing. The notices shall be posted in the districts
12 affected by the request in the manner prescribed in this
13 title for school elections, with at least one such notice
14 posted in the territory to be transferred.

15 (4) The county superintendent shall conduct the
16 hearing as scheduled, and any resident or taxpayer of the
17 affected districts shall be heard. If the county
18 superintendent considers it advisable and in the best
19 interests of the residents of such the territory, he shall
20 grant the petitioned request and order the change of
21 district boundaries to coincide with the boundary
22 description in the petition. Otherwise, he shall, by order,
23 deny the request. Either of the orders shall be final 30
24 days after its date unless it is appealed to the board of
25 county commissioners by a resident or taxpayer of either

1 district affected by the territory transfer. The decision of
2 the board of county commissioners, after a hearing on such
3 the matter and consideration of the material presented at
4 the county superintendent's hearing, shall be final 30 days
5 after its date unless a petition to submit the question to
6 a vote of the people in the district from which the land is
7 to be transferred, which has been signed by a majority of
8 the electors of the district who reside in the territory to
9 be transferred and who are qualified to vote in elections
10 for that district under 20-20-301, is presented prior to
11 that time. When a petition is submitted under this
12 subsection, the question of whether the land shall be
13 transferred to another district shall be put before the
14 voters at the next regular school election in the affected
15 district.

16 (5) Whenever a petition to transfer territory from one
17 elementary unified district to another elementary unified
18 district would create a joint elementary district or affect
19 the boundary of an existing joint elementary unified
20 district, the petition shall be presented to the county
21 superintendent of the county where the territory is located.
22 Such The county superintendent shall notify any other county
23 superintendents of counties with districts affected by such
24 petition, and the duties prescribed in this section for the
25 county superintendent and the board of county commissioners

shall be performed jointly by such county officials."

Section 24. Section 20-6-325, MCA, is amended to read:

"20-6-325. Procedure for creation of new high unified school district out of existing districts -- limitation for creation. (1) To create a new high unified school district, a petition requesting the creation of a new high unified school district out of the territory of an-existing a high school district in existence prior to [the effective date of this act] or districts a unified district or districts must be addressed to the county superintendent and must:

(a) describe the territory that is requested to be incorporated in the new unified district and the taxable value of such territory as shown by the last completed assessment roll;

(b) state the reasons why the creation of a new district is requested; and

(c) be signed by the parents or guardians of not less than 50 children who are at least 14 years old but less than 18 years old and who reside in the territory that would be included in the new district and who reside more than 20 miles over the shortest practical route from an operating high school.

(2) When a county superintendent receives a valid petition requesting the creation of a new unified district, he shall:

(a) file ~~such~~ the petition;

(b) set a hearing place, date, and time for consideration of the petition that is not more than 40 days after the receipt of the petition; and

(c) give notice of the place, date, and time of the hearing. Notices must be posted in the high school districts or unified district affected by the request in the manner prescribed in 20-20-204 for school elections, with at least one ~~such~~ notice posted in the territory to be included in the new district.

(3) The county superintendent shall conduct the hearing as scheduled unless before or at the time of the hearing he receives a protest petition signed by a majority of the electors of the proposed new district who are qualified to vote under the provisions of 20-20-301. A valid protest petition conclusively denies the creation of a new unified district. If a hearing is conducted, any resident or taxpayer of the affected districts must be heard. If the county superintendent considers it advisable and in the best interests of the residents of the proposed new district, he shall grant the petitioned request and order the creation of a new unified district with its boundaries coinciding with the boundaries defined in the petition. Otherwise, he shall by order deny the request. In the order creating the new unified district, the effective date for its creation must

be the following July 1.

(4) The county superintendent's order may be appealed to the superintendent of public instruction within 30 days after the date of ~~such the~~ order. An appeal must be in writing and be signed by not less than 10 residents of the proposed new district. The superintendent of public instruction shall:

(a) call a hearing on the appeal not less than 20 days or more than 30 days from receipt of the appeal;

(b) provide notice of the hearing in the manner prescribed in subsection (2)(c);

(c) consider the material presented at the county superintendent's hearing and pertinent other material; and

(d) render a decision on the creation of ~~such the~~ new high unified school district. The decision is final.

~~{5}--When--a--new--high-school-district-is-created--the trustees-of-the-elementary-district-in-which-the-high-school buildings-are-located-are-the-trustees-of-the-new--district. A--trustee--appointed--under--the-provisions-of-this-section shall-serve-until-a-successor-is-elected-at-the-next-regular school-election-and-is-qualified.~~

~~{6}{5}~~ If the unified district does not open and operate a school within 2 years after the effective date of the creation of the new district, the order of the county superintendent or, if his order is appealed, the decision of

the superintendent of public instruction creating a new district under this section is void and the new district ceases to exist. If the new district does not satisfy this requirement, the territory must be reincorporated in the district or districts in which it was located before the creation of the new district and the trustees are without capacity to act.

~~{7}{6}~~ If a petition has been filed under the provisions of this section and denied by the county superintendent, no a new petition may not be filed until 1 year after the final decision on the original petition.

~~{8}{7}~~ For the purposes of this section, the taxable value of the taxable property of the territory proposed to be included in the new unified district must be at least \$1 million, unless 50,000 acres or more of such proposed new district are nontaxable Indian land, and the taxable value of the taxable property of each existing district from which territory would be detached must be at least \$2 million after the territory is detached."

Section 25. Section 20-6-402, MCA, is amended to read:

"20-6-402. Voluntary consolidation and annexation incentive plan. Sections 20-6-401 through 20-6-408 shall be known as the voluntary consolidation and annexation incentive plan. The purpose of this plan is to provide additional financial assistance to school districts that

1 consolidate or annex under the provisions of 20-6-203,
 2 20-6-205, or 20-6-208 for elementary unified school
 3 districts ~~or---20-6-315---or---20-6-317---for---high---school~~
 4 ~~districts.~~"

5 **Section 26.** Section 20-6-403, MCA, is amended to read:

6 "20-6-403. Application for bonus payment. Whenever two
 7 or more ~~elementary-school~~ unified districts consolidate or
 8 annex under the provisions of 20-6-203, 20-6-205, or
 9 20-6-208 ~~or-two-or-more-high-school-districts-consolidate-or~~
 10 ~~annex-under-the-provisions--of--20-6-315--or--20-6-317,~~ the
 11 enlarged district may make application for the bonus payment
 12 as provided herein in 20-6-401 if ~~such~~ the consolidation or
 13 annexation ~~shall-result~~ results in the dissolution of at
 14 least one ~~elementary--or--high--school~~ unified district.
 15 Application for the bonus payments must be made during the
 16 school year of the order creating the enlarged school
 17 district."

18 **Section 27.** Section 20-6-501, MCA, is amended to read:

19 "20-6-501. Definition of various schools. As used in
 20 this title, unless the context clearly indicates otherwise,
 21 the term "school" means an institution for the teaching of
 22 children that is established and maintained under the laws
 23 of the state of Montana at public expense. The trustees of
 24 any district shall designate the grade assignments for the
 25 schools of the district, but for the purposes of this title

1 each school shall be known as:

2 (1) an elementary school when it comprises the work of
 3 any combination of kindergarten, other preschool programs,
 4 or the first eight grades or their equivalents. A middle
 5 school is a school comprising the work of grades 4 through 8
 6 or any combination thereof that has been accredited as a
 7 middle school under the provisions of 20-7-102. When an
 8 accredited junior high school or an accredited 6-year high
 9 school is operated by the district, grades 7 and 8 or their
 10 equivalents ~~shall~~ may not be considered as elementary
 11 grades.

12 (2) a high school when it comprises the work of one or
 13 more grades of schoolwork or their equivalents intermediate
 14 between the elementary schools and the institutions of
 15 higher education of the state of Montana. Types of high
 16 schools shall be designated as follows:

17 (a) a junior high school is a school comprising the
 18 work of grades 7 through 9 or their equivalents that has
 19 been accredited as a junior high school under the provisions
 20 of 20-7-102;

21 (b) a senior high school is a school which comprises
 22 the work of grades 10 through 12 or their equivalents and
 23 which is operated in conjunction with a junior high school;

24 (c) a 6-year high school is a school comprising the
 25 work of grades 7 through 12 or their equivalents that has

1 been accredited as a 6-year high school under the provisions
2 of 20-7-102;

3 (d) a 4-year high school is a school comprising the
4 work of grades 9 through 12 or their equivalents;

5 ~~(e) a county high school is a 4-year high school~~
6 ~~operated as an agency of county government and established~~
7 ~~under the provisions of the acts of March 3, 1899, March 14,~~
8 ~~1901, and any subsequent amendments thereto."~~

9 **Section 28.** Section 20-6-503, MCA, is amended to read:

10 **"20-6-503. Opening or reopening of a high school of a**
11 **unified district.** (1) The trustees of any high unified
12 school district may open or reopen a high school or
13 elementary school of the district or a branch of a high
14 school or elementary school of the district when such the
15 opening or reopening has been approved by the superintendent
16 of public instruction; ~~except when a county high school is~~
17 ~~discontinued by a unification action, the trustees may~~
18 ~~establish by resolution a high school to be operated by~~
19 ~~the high school district without further action or approval.~~
20 When the trustees of a high unified school district resolve
21 to open or reopen a high school, they shall apply to the
22 superintendent of public instruction for approval to open or
23 reopen such the school by June 1 before the school fiscal
24 year in which they intend to open or reopen the high school.
25 Such The application shall state:

1 (a) their reasons why the high school should be opened
2 or reopened;

3 (b) the probable enrollment of such-high the school;

4 (c) the distance and road conditions of the route to
5 neighboring high schools;

6 (d) the taxable value of the district;

7 (e) the building and equipment facilities available
8 for such-high the school;

9 (f) the planned course of instruction for such-high
10 the school;

11 (g) the planned methods of complying with high school
12 or elementary school standards of accreditation; and

13 (h) any other information that may be required by the
14 superintendent of public instruction.

15 (2) The superintendent of public instruction shall
16 investigate the application for the opening or reopening of
17 a high school and shall approve or disapprove the opening of
18 the high school before the fourth Monday of June preceding
19 the first year of intended operation. If the opening is
20 approved, the high school district trustees may open such
21 high the school.

22 (3) Whenever the opening or reopening of a high school
23 is approved for the ensuing school fiscal year, the county
24 superintendent shall estimate the average number belonging
25 (ANB) after investigating the probable enrollment for the

high school. The ANB determined by the county superintendent shall be used for budgeting and foundation program purposes.

(4) ~~Nothing herein contained shall~~ This section may ~~not~~ be construed ~~so as~~ to preclude the trustees of a high unified school district from establishing more than one high school in the district."

Section 29. Section 20-6-602, MCA, is amended to read:

"20-6-602. Trustees' power over property. The trustees of any unified district ~~other than a high school district operating a county high school~~ shall have the power and the responsibility to hold in trust all real and personal property of the district for the benefit of the schools and children of the district. ~~in the name of the county, the trustees of a high school district operating a county high school, as defined by 20-6-101, shall have the power and the responsibility to hold in trust all real and personal property of the district for the benefit of the schools and children of the district.~~"

Section 30. Section 20-7-705, MCA, is amended to read:

"20-7-705. Adult education fund. (1) A separate adult education fund shall be established when an adult education program is operated by a unified district or community college district. The financial administration of ~~such the~~ fund shall comply with the budgeting, financing, and expenditure provisions of the laws governing the schools.

(2) Whenever the trustees of any unified district establish an adult education program under the provisions of 20-7-702, they shall establish an adult education fund under the provisions of this section. The adult education fund shall be the depository for all federal, state, and district moneys received by the district in support of the adult education program.

(3) The trustees of any unified district may authorize the levy of a tax of not more than 1 mill on the district, ~~except that trustees of a county high school district that is not unified with an elementary district may authorize a levy of not more than 2 mills on the district,~~ for or the operation of an adult education program when the superintendent of public instruction has approved the educational program to be supported by ~~such the~~ levy. The approval of the superintendent of public instruction ~~shall have been must be~~ acquired by the trustees before the fourth Monday of June in order to include the expenditures to be financed by the levy in the preliminary budget. The superintendent of public instruction shall promulgate rules and forms for ~~such the~~ approval.

(4) Whenever the trustees of any unified district decide to offer an adult education program during the ensuing school fiscal year, they shall budget for the cost of ~~such the~~ program in the adult education fund of the

1 preliminary budget. Any expenditures in support of the adult
2 education program under the final adult education budget
3 shall be made in accordance with the financial
4 administration provisions of this title for a budgeted fund.

5 (5) When a tax levy for an adult education program
6 which has been approved by the superintendent of public
7 instruction is included as a revenue item on the final adult
8 education budget, the county superintendent shall report
9 ~~such the~~ levy requirement to the county commissioners on the
10 second Monday of August and a levy on the district shall be
11 made by the county commissioners in accordance with
12 20-9-142."

13 **Section 31.** Section 20-9-311, MCA, is amended to read:

14 "20-9-311. Calculation of average number belonging
15 (ANB). (1) Average number belonging shall be computed by
16 determining the total of the aggregate days of attendance by
17 regularly enrolled, full-time pupils during the current
18 school fiscal year plus the aggregate days of absence by
19 regularly enrolled, full-time pupils during the current
20 school fiscal year and by dividing ~~such the~~ total by 180.
21 However, when a ~~school~~ unified district has approval to
22 operate less than 180 school days under 20-9-804, ~~such the~~
23 total shall be calculated in accordance with the provisions
24 of 20-9-805. Attendance for a part of a morning session or a
25 part of an afternoon session by a pupil shall be counted as

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

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

1 program, he shall be considered regularly enrolled for ANB
2 purposes.

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

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

13 (b) a junior high school has been approved and
14 accredited as a junior high school, all of the regularly
15 enrolled, full-time pupils of the junior high school shall
16 be considered as high school district pupils for ANB
17 purposes;

18 (c) a middle school has been approved and accredited,
19 in which case pupils below the 7th grade shall be considered
20 elementary school pupils for ANB purposes and the 7th and
21 8th grade pupils shall be considered high school pupils for
22 ANB purposes; or

23 (d) a school has not been accredited by the board of
24 public education, the regularly enrolled, full-time pupils
25 attending the nonaccredited school ~~shall~~ may not be eligible

1 for average number belonging calculation purposes, nor will
2 an average number belonging for the nonaccredited school be
3 used in determining the foundation program for such the
4 district.

5 (4) The high schools of a unified district must be
6 aggregated in the manner provided in subsection (3).

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

13 **Section 32.** Section 20-9-313, MCA, is amended to read:

14 "20-9-313. Circumstances under which the regular
15 average number belonging may be increased. The average
16 number belonging of a school for a given school fiscal year,
17 calculated in accordance with the ANB formula prescribed in
18 20-9-311, may be increased when:

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

25 (2) the opening or reopening of a high school ~~or--a~~

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

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

15 (4) a district anticipates an unusual enrollment
16 increase in the ensuing school fiscal year. The increase in
17 average number belonging shall be based on estimates of
18 increased enrollment approved by the superintendent of
19 public instruction and shall be computed in the manner
20 prescribed by 20-9-314.

21 (5) for the initial year of operation of a program
22 established under 20-7-117(1), the ANB to be used for budget
23 purposes is the same as one-half the number of 5-year-old
24 children residing in the district as of September 10 of the
25 preceding school year, either as shown on the official

1 school census or as determined by some other procedure
2 approved by the superintendent of public instruction;

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

8 (7) a high school of a unified district provides early
9 graduation for any student who completes graduation
10 requirements in less than eight semesters or the equivalent
11 amount of secondary school enrollment or when a high school
12 of a unified district provides early graduation for a class
13 of students who have completed the requirements for
14 graduation after 175 pupil-instruction days in the 12th
15 grade. The increase shall be established by the trustees as
16 though the student had attended to the end of the school
17 year and shall be approved, disapproved, or adjusted by the
18 superintendent of public instruction."

19 **Section 33.** Section 20-9-331, MCA, is amended to read:

20 "20-9-331. Basic county tax and other revenues for
21 county equalization of the elementary unified district
22 foundation program. (1) It shall be the duty of the county
23 commissioners of each county to levy an annual basic tax of
24 ~~20~~ 45 mills on the dollars of the taxable value of all
25 taxable property within the county~~7--except-for-vehicles~~

1 ~~subject-to-taxation-under-61-3-504(2)~~ for the purposes of
 2 local and state foundation program support. The revenue to
 3 be collected from this levy shall be apportioned to the
 4 support of the foundation programs of the elementary unified
 5 school districts in the county and to the state special
 6 revenue fund, state equalization aid account, in the
 7 following manner:

8 (a) In order to determine the amount of revenue raised
 9 by this levy which is retained by the county, the sum of the
 10 estimated revenues identified in subsection (2) below shall
 11 be subtracted from the sum of the county elementary
 12 transportation obligation and the county high school tuition
 13 the total of the foundation programs of all elementary
 14 unified districts of the county.

15 (b) If the basic levy prescribed by this section
 16 produces more revenue than is required to finance the
 17 difference determined above in subsection (1)(a), the county
 18 treasurer shall remit the surplus funds to the state
 19 treasurer for deposit to the state special revenue fund,
 20 state equalization aid account, immediately upon occurrence
 21 of a surplus balance and each subsequent month thereafter,
 22 with any final remittance due no later than June 20 of the
 23 fiscal year for which the levy has been set.

24 (2) The proceeds realized from the county's portion of
 25 the levy prescribed by this section and the revenues from

1 the following sources shall be used for the equalization of
 2 the elementary unified district foundation programs of the
 3 county as prescribed in 20-9-334, and a separate accounting
 4 shall be kept of ~~such~~ the proceeds and revenues by the
 5 county treasurer in accordance with 20-9-212(1):

6 (a) the portion of the federal Taylor Grazing Act
 7 funds distributed to a county and designated for the common
 8 school fund under the provisions of 17-3-222;

9 (b) the portion of the federal flood control act funds
 10 distributed to a county and designated for expenditure for
 11 the benefit of the county common schools under the
 12 provisions of 17-3-232;

13 (c) all money paid into the county treasury as a
 14 result of fines for violations of law, except money paid to
 15 a justice's court, and the use of which is not otherwise
 16 specified by law;

17 (d) any money remaining at the end of the immediately
 18 preceding school fiscal year in the county treasurer's
 19 account for the various sources of revenue established or
 20 referred to in this section;

21 (e) any federal or state money distributed to the
 22 county as payment in lieu of the property taxation
 23 established by the county levy required by this section;

24 (f) net proceeds taxes for interim production and new
 25 production, as defined in 15-23-601; and

(g) anticipated revenue from vehicle property taxes imposed under 61-3-504(2) and 61-3-537."

Section 34. Section 20-9-335, MCA, is amended to read:

"20-9-335. Formula for apportionment of county equalization moneys. (1) After making such the deductions prescribed in 20-9-334, the county superintendent shall apportion the remaining amount of ~~moneys~~ money available in the basic county tax account to the several ~~public elementary unified~~ districts of the county ~~and-in-the-basic special-tax-for-high-schools-account-to-the--several--public secondary--districts--of--the--county~~ in proportion to their needs under the foundation program in accordance with the following procedure:

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

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

(2) The ~~above~~ procedure in subsection (1) shall also be applied for ~~public--secondary~~ high schools of unified districts.

(3) ~~No--territory~~ Territory situated within a county ~~shall~~ may not be excluded from the apportionment of the county equalization moneys under this section solely because ~~such~~ the territory lies within the boundaries of a joint unified district. Cash balances to the credit of any district at the end of a school fiscal year ~~shall~~ may not be considered in the apportionment procedure prescribed in this section.

(4) The county equalization moneys apportioned under these procedures shall constitute the first source of revenue in calculating the financing of the ~~public elementary-and-secondary unified~~ district foundation program for elementary schools and high schools of the districts. The county superintendent shall use the apportionment procedure prescribed in this section in computing the estimated revenues for the financing of the ensuing year's foundation program for budgeting purposes."

Section 35. Section 20-9-347, MCA, is amended to read:

"20-9-347. Formula for state equalization aid apportionment. (1) The superintendent of public instruction shall apportion the state equalization aid, individually for the ~~elementary-districts-of-a--county--or--the--high--school~~

1 unified districts of a county, in accordance with 20-9-346
2 and on the basis of the following procedure:

3 (a) Determine the percentage that the total funds
4 available to all counties in the state in support of the
5 foundation program (including the state moneys available for
6 state equalization aid) is of the total amount of the
7 foundation programs of all counties.

8 (b) Determine the percentage that the total funds
9 available in each county in support of the foundation
10 programs in such the county (excluding state moneys
11 available for state equalization aid) is of the total amount
12 of the foundation programs of all districts of such the
13 county.

14 (c) Counties in which the percentage determined in
15 subsection (1)(b) exceeds the percentage determined in
16 subsection (1)(a) ~~shall~~ are not be entitled to an
17 apportionment of the state equalization aid.

18 (d) After elimination of the counties referred to in
19 subsection (1)(c), determine the percentage that the total
20 moneys available to all remaining counties in support of the
21 foundation program (including the state moneys available for
22 state equalization aid) is of the total amount of the
23 foundation programs of all such remaining counties.

24 (e) Each district of each remaining county shall be
25 entitled to an apportionment of the state equalization aid

1 which shall be the difference between the percentage
2 determined in subsection (1)(d) and the percentage
3 determined for such the county in subsection (1)(b)
4 multiplied by the foundation program amount for such the
5 district.

6 (2) The superintendent of public instruction shall
7 supply the county treasurer and the county superintendent
8 with a report of the apportionments of state equalization
9 aid to the several districts of the county, and the state
10 equalization aid shall be apportioned to such the districts
11 in accordance with such the report."

12 **Section 36.** Section 20-9-348, MCA, is amended to read:

13 "20-9-348. Estimation of state equalization aid for
14 budget purposes. The apportionment of state equalization aid
15 shall be the second source of revenue in calculating the
16 financing of the ~~elementary-district-foundation-program--and~~
17 ~~the--high--school~~ unified district foundation program for
18 elementary schools and high schools of the districts. In
19 order to allow for the estimation of the amount of money to
20 be realized from this source of revenue when the county
21 superintendent is estimating the general fund budget
22 revenues, the county superintendent shall consider that the
23 state foundation program revenues and county equalization
24 moneys, together, will be capable of financing 100% of the
25 foundation program."

Section 37. Section 20-9-352, MCA, is amended to read:

"20-9-352. Permissive amount and permissive levy. (1)

Whenever the trustees of any unified district ~~shall--deem~~ considers it necessary to adopt a general fund budget in excess of the foundation program amount but not in excess of the maximum general fund budget amount for ~~such the~~ district as established by the schedules in 20-9-316 through 20-9-321, the trustees shall adopt a resolution stating the reasons and purposes for exceeding the foundation program amount. ~~Such The~~ excess above the foundation program amount shall be known as the "permissive amount", and it shall be financed by a levy, as prescribed in 20-9-141, on the taxable value of all taxable property within the district, except for vehicles subject to taxation under 61-3-504(2), supplemented with any biennial appropriation by the legislature for this purpose. The proceeds of such an appropriation shall be deposited to the state special revenue fund, permissive account.

(2) ~~The--district--levies-to-be-set-for-the-purpose-of funding-the-permissive-amount-are-determined-as-follows:~~

(a) For each elementary-school unified district, the county commissioners shall annually set a levy not exceeding 6 10 mills on all the taxable property in the district, except for vehicles subject to taxation under 61-3-504(2), for the purpose of funding the permissive amount of the

district. The permissive levy in mills shall be obtained by multiplying the ratio of the permissive amount to the maximum permissive amount by 6 or by using the number of mills which would fund the permissive amount, whichever is less. If the amount of revenue raised by this levy, plus anticipated revenue from vehicle property taxes imposed under 61-3-504(2) and 61-3-537, is not sufficient to fund the permissive amount in full, the amount of the deficiency shall be paid to the district from the state special revenue fund according to the provisions of subsections (3) and (4) of this section.

(b) ~~For--each--high--school--district,--the--county commissioners--shall--annually--set--a--levy--not--exceeding--4 mills--on--all--taxable--property--in--the--district,--except--for vehicles--subject--to--taxation--under--61-3-504(2),--for--the purpose--of--funding--the--permissive--amount--of--the--district. The--permissive--levy--in--mills--shall--be--obtained--by multiplying--the--ratio--of--the--permissive--levy--to--the--maximum permissive--amount--by--4--or--by--using--the--number--of--mills--which would--fund--the--permissive--amount,--whichever--is--less. If--the amount--of--revenue--raised--by--this--levy,--plus--anticipated revenue--from--vehicle--property--taxes--imposed--under 61-3-504(2)--and--61-3-537,--and--plus--net--proceeds--taxes--for interim--production--and--new--production,--as--defined--in 15-23-601,--is--not--sufficient--to--fund--the--permissive--amount~~

~~in full, the amount of the deficiency shall be paid to the district from the state special revenue fund according to the provisions of subsections (3) and (4) of this section.~~

(3) The superintendent of public instruction shall, if the appropriation by the legislature for the permissive account for the biennium is insufficient, request the budget director to submit a request for a supplemental appropriation in the second year of the biennium. The supplemental appropriation shall provide enough revenue to fund the permissive deficiency of the ~~elementary and high school~~ unified districts of the state. The proceeds of this appropriation shall be deposited to the state special revenue fund, permissive account, and shall be distributed to the ~~elementary and high school~~ unified districts in accordance with their entitlements as determined by the superintendent of public instruction according to the provisions of subsections (1) and (2) of this section.

(4) Distribution under this section from the state special revenue fund shall be made in two payments. The first payment shall be made at the same time as the first distribution of state equalization aid is made after January 1 of the fiscal year. The second payment shall be made at the same time as the last payment of state equalization aid is made for the fiscal year. If the appropriation is not sufficient to finance the deficiencies of the districts as

determined according to subsection (2), each district will receive the same percentage of its deficiency. Surplus revenue in the second year of the biennium may be used to reduce the appropriation required for the next succeeding biennium or may be transferred to the state equalization aid state special revenue fund if revenues in that fund are insufficient to meet foundation program requirements."

Section 38. Section 20-9-402, MCA, is amended to read:

"20-9-402. Definition of school district for bonding purposes. For the purposes of in debtting an ~~elementary district, a high school~~ unified school district, or a community college district by the issuance of bonds under the provisions of this title, the term "school district" shall mean any ~~elementary district, high school~~ unified school district, or community college district, ~~except the following types of high schools recognized as high school districts without a bonding authority in 20-6-101:~~

~~{1} high schools operated by an elementary district in a county that has not been divided into high school districts, or~~

~~{2} county high schools located in a county that has not been divided into high school districts by the county high school boundary commission."~~

Section 39. Section 20-9-403, MCA, is amended to read:

"20-9-403. Bond issues for certain purposes. {1} The

1 trustees of a unified school district may issue and
2 negotiate bonds on the credit of the school district for the
3 purpose of:

4 ~~(a)~~(1) building, altering, repairing, buying,
5 furnishing, equipping, purchasing lands for, and/or
6 obtaining a water supply for a school, teacherage,
7 dormitory, gymnasium, other building, or combination of said
8 buildings for school purposes;

9 ~~(b)~~(2) buying a school bus or buses;

10 ~~(c)~~(3) providing the necessary money to redeem matured
11 bonds, maturing bonds, or coupons appurtenant to bonds when
12 there is not sufficient money to redeem them;

13 ~~(d)~~(4) providing the necessary money to redeem
14 optional or redeemable bonds when it is for the best
15 interest of the school district to issue refunding bonds; or

16 ~~(e)~~(5) funding a judgment against the district.

17 ~~(2)--Any--money--realized--from--the--sale--of--any--bonds~~
18 ~~issued-on-the-credit-of-a-high-school-district-shall-not--be~~
19 ~~used--for--any-of-the-above-purposes-in-an-elementary-school~~
20 ~~district--and-such-money-may-be-used-for-any--of--the--above~~
21 ~~purposes--for--a--junior--high-school-but-only-to-the-extent~~
22 ~~that-the-9th-grade-of-the-high-school-is-served-thereby."~~

23 **Section 40.** Section 20-9-532, MCA, is amended to read:

24 "20-9-532. (Effective July 1, 1988) Calculation and
25 distribution of retirement equalization aid. (1) The

1 superintendent of public instruction shall administer the
2 distribution of retirement equalization aid by:

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

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

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

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

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

(f) keeping a record of the complete data concerning revenue available for retirement equalization aid and the distribution of such aid.

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

Section 41. Section 20-10-131, MCA, is amended to read:

"20-10-131. County transportation committee membership. (1) To coordinate the orderly provision of a uniform transportation program within a county under the transportation law, board of public education transportation policies, and the transportation rules of the superintendent of public instruction, there shall be a county transportation committee created in each county of the state of Montana. The membership of the county transportation committee shall be:

(a) the county superintendent;

(b) the chairman of the board of county commissioners or a member of such board designated by the chairman;

(c) a trustee or district employee designated by the trustees of each high-school unified district of the county;

~~(d) --one--representative--from--each--high--school--district~~

~~of-the-county-who-is-a-trustee--of--an--elementary--district encompassed-within-the-high-school-district-and-who-has-been selected--at--a--meeting--of-the-trustees-of-such-elementary districts; and~~

~~(e)(d)~~ a representative of a district of another county when the transportation services of such-a that district are affected by the actions of the transportation committee, but ~~such-a~~ the representative shall have a voice only in matters affecting transportation within ~~such~~ that district or by ~~such~~ that district.

(2) The county transportation committee shall have at least five members, and if this minimum membership cannot be realized in the manner prescribed in subsections (1)(a) through (1)(d) above, the county superintendent shall appoint a sufficient number of members to satisfy the minimum membership requirement.

(3) The county superintendent shall be the chairman of the county transportation committee, and a quorum shall consist of a majority of the membership. The county transportation committee shall meet on the call of the chairman or any three members of such committee."

Section 42. Section 20-10-144, MCA, is amended to read:

"20-10-144. Computation of revenues and net tax levy requirements for the transportation fund budget. Before the

fourth Monday of July and in accordance with 20-9-123, the county superintendent shall compute the revenue available to finance the transportation fund budget of each district. The county superintendent shall compute the revenue for each district on the following basis:

(1) The "schedule amount" of the preliminary budget expenditures that is derived from the rate schedules in 20-10-141 and 20-10-142 shall be determined by adding the following amounts:

(a) the sum of the maximum reimbursable expenditures for all approved school bus routes maintained by the district (to determine the maximum reimbursable expenditure, multiply the applicable rate per bus mile by the total number of miles to be traveled during the ensuing school fiscal year on each bus route approved by the county transportation committee and maintained by such district); plus

(b) the total of all individual transportation per diem reimbursement rates for such the district as determined from the contracts submitted by the district multiplied by the number of pupil-instruction days scheduled for the ensuing school attendance year; plus

(c) any estimated costs for supervised home study or supervised correspondence study for the ensuing school fiscal year; plus

(d) the amount budgeted on the preliminary budget for the contingency amount permitted in 20-10-143, except if such the amount exceeds 10% of the total of subsections (1)(a), (1)(b), and (1)(c) or \$100, whichever is larger, the contingency amount on the preliminary budget shall be reduced to such the limitation amount and used in this determination of the schedule amount.

(2) The schedule amount determined in subsection (1) or the total preliminary transportation fund budget, whichever is smaller, shall be divided by 3 and the resulting one-third amount shall be used to determine the available state and county revenue to be budgeted on the following basis:

(a) the resulting one-third amount shall be the budgeted state transportation reimbursement, except that the state transportation reimbursement for the transportation of special education pupils under the provisions of 20-7-442 shall be two-thirds of the schedule amount attributed to the transportation of special education pupils;

(b) the resulting one-third amount, except as provided for joint elementary schools of unified districts in subsection (2)(e), shall be the budgeted county transportation reimbursement for elementary schools of unified districts and shall be financed by the basic county tax under the provisions of 20-9-334;

1 (c) the resulting one-third amount multiplied by 2
 2 shall be the budgeted county transportation reimbursement
 3 amount for high ~~school~~ schools of unified districts financed
 4 under the provisions of subsection (5) of this section,
 5 except as provided for joint ~~high-school~~ unified districts
 6 in subsection (2)(e), and except that the county
 7 transportation reimbursement for the transportation of
 8 special education pupils under the provisions of 20-7-442
 9 shall be one-third of the schedule amount attributed to the
 10 transportation of special education pupils;

11 (d) when the district has a sufficient amount of cash
 12 for reappropriation and other sources of district revenue,
 13 as determined in subsection (3), to reduce the total
 14 district obligation for financing to zero, any remaining
 15 amount of such district revenue and cash reappropriated
 16 shall be used to reduce the county financing obligation in
 17 subsections (2)(b) or (2)(c) and, if such the county
 18 financing obligations are reduced to zero, to reduce the
 19 state financial obligation in subsection (2)(a); and

20 (e) the county revenue requirement for a joint
 21 district, after the application of any district moneys under
 22 subsection (2)(d) above, shall be prorated to each county
 23 incorporated by the joint district in the same proportion as
 24 the ANB of the joint district is distributed by pupil
 25 residence in each such county.

1 (3) The total of the moneys available for the
 2 reduction of property tax on the district for the
 3 transportation fund shall be determined by totaling:

4 (a) anticipated federal moneys received under the
 5 provisions of Title I of Public Law 81-874 or other
 6 anticipated federal moneys received in lieu of such the
 7 federal act; plus

8 (b) anticipated payments from other districts for
 9 providing school bus transportation services for such the
 10 district; plus

11 (c) anticipated payments from a parent or guardian for
 12 providing school bus transportation services for his child;
 13 plus

14 (d) anticipated interest to be earned by the
 15 investment of transportation fund cash in accordance with
 16 the provisions of 20-9-213(4); plus

17 (e) anticipated revenue from vehicle property taxes
 18 imposed under 61-3-504(2) and 61-3-537; plus

19 (f) net proceeds taxes for interim production and new
 20 production, as defined in 15-23-601; plus

21 (g) any other revenue anticipated by the trustees to
 22 be earned during the ensuing school fiscal year which may be
 23 used to finance the transportation fund; plus

24 (h) any cash available for reappropriation as
 25 determined by subtracting the amount of the end-of-the-year

cash balance earmarked as the transportation fund cash reserve for the ensuing school fiscal year by the trustees from the end-of-the-year cash balance in the transportation fund. ~~Such~~ The cash reserve ~~shall~~ may not be more than 20% of the final transportation fund budget for the ensuing school fiscal year and shall be for the purpose of paying transportation fund warrants issued by the district under the final transportation fund budget.

(4) The district levy requirement for each district's transportation fund shall be computed by:

(a) subtracting the schedule amount calculated in subsection (1) from the total preliminary transportation budget amount and, for an elementary school of unified district, adding ~~such~~ the difference to the district obligation to finance one-third of the schedule amount as determined in subsection (2); and

(b) subtracting the amount of moneys available to reduce the property tax on the district, as determined in subsection (3), from the amount determined in subsection (4)(a) above.

(5) The county levy requirement for the financing of the county transportation reimbursement to high ~~school~~ schools of unified districts shall be computed by adding all ~~such~~ requirements for all the ~~high-school~~ unified districts of the county, including the county's obligation for

reimbursements in joint ~~high-school~~ unified districts.

(6) The transportation fund levy requirements determined in subsection (4) for each district and in subsection (5) for the county shall be reported to the county commissioners on the second Monday of August by the county superintendent as the transportation fund levy requirements for the district and for the county, and ~~such~~ the levies shall be made by the county commissioners in accordance with 20-9-142."

NEW SECTION. Section 43. Name change -- short form amendment.

(1) Whenever it appears in 20-1-301, 20-1-308, 20-3-208, 20-6-103, 20-6-504, 20-7-303, 20-7-305, 20-7-306, 20-7-411, 20-9-101, 20-9-102, 20-9-161, 20-9-348, 20-9-501, and in all law enacted by the 51st legislature, the code commissioner is directed to change the term "elementary or high school" where it refers to a district to "unified".

(2) Whenever it appears in 20-3-336 and 20-3-337 and in all law enacted by the 51st legislature, the code commissioner is directed to change the term "school district" to "unified district".

(3) Whenever it appears in 20-6-203, 20-6-205 through 20-6-215, 20-6-507, 20-6-411, 20-6-414, 20-6-415, 20-7-117, and in all law enacted by the 51st legislature, the code commissioner is directed to change the term "elementary

1 school" where it refers to a district to "unified".

2 NEW SECTION. **Section 44.** Extension of authority. Any
3 existing authority to make rules on the subject of the
4 provisions of [this act] is extended to the provisions of
5 [this act].

6 NEW SECTION. **Section 45.** Codification instruction.
7 [Sections 1 through 9] are intended to be codified as an
8 integral part of Title 20, and the provisions of Title 20,
9 apply to [sections 1 through 9].

10 NEW SECTION. **Section 46.** Repealer. Sections 20-3-302,
11 20-3-337, 20-3-341 through 20-3-344, 20-3-351 through
12 20-3-356, 20-5-301 through 20-5-307, 20-6-102, 20-6-201,
13 20-6-204, 20-6-206, 20-6-216, 20-6-217, 20-6-301, 20-6-303,
14 20-6-304, 20-6-307 through 20-6-309, 20-6-311 through
15 20-6-321, 20-6-502, 20-6-505, 20-6-508, 20-9-333 and
16 20-9-452 through 20-9-455, MCA, are repealed.

17 NEW SECTION. **Section 47.** Effective date. [This act]
18 is effective July 1, 1989.

-End-