

1 *Denny* *W. J. ...* *House* BILL NO. *480* *W. E. Behariski*  
 2 INTRODUCED BY *Arnott* *Smilkins* *Fisher* *Curtiss* *Martinez* *ORR*  
 3 *Viell* *Rehbein* *Storall* *Herron* *Green* *Loeb* *Kearney*  
 4 A BILL FOR AN ACT, ENTITLED: "AN ACT TO IMPLEMENT ARTICLE X, SECTION 8, OF THE MONTANA  
 5 CONSTITUTION BY CLARIFYING THE BOARD OF PUBLIC EDUCATION'S AUTHORITY TO ADOPT  
 6 ACCREDITATION STANDARDS THAT REQUIRE A SCHOOL DISTRICT TO EMPLOY ADMINISTRATIVE

7 PERSONNEL; CLARIFYING THE LOCAL BOARD OF TRUSTEES' AUTHORITY TO ESTABLISH AN  
 8 APPROPRIATE MANAGEMENT STRUCTURE FOR ITS SCHOOLS; ELIMINATING REQUIREMENTS THAT A  
 9 SCHOOL DISTRICT HIRE CERTAIN DISTRICT ADMINISTRATORS; AMENDING SECTIONS 20-3-305,  
 10 20-3-321, 20-3-325, 20-3-341, 20-3-344, 20-4-201, 20-4-401, 20-5-201, 20-5-202, 20-6-209, 20-7-101,  
 11 20-7-102, 20-7-112, 20-9-113, 20-9-115, 20-9-133, 20-9-165, 20-9-221, 20-9-433, 20-9-434, 20-9-442,  
 12 20-15-325, 20-20-401, AND 20-20-417, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

15  
 16 **Section 1.** Section 20-3-305, MCA, is amended to read:

17 **"20-3-305. Candidate qualification and nomination.** (1) Except as provided in 20-3-338, any  
 18 person who is qualified to vote in a district under the provisions of 20-20-301 ~~shall~~ must be eligible for the  
 19 office of trustee.

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

26  
 27 **Section 2.** Section 20-3-321, MCA, is amended to read:

28 **"20-3-321. Organization and officers.** (1) The trustees of each district shall annually organize as  
 29 a governing board of the district after the regular election day and after the issuance of the election  
 30 certificates to the newly elected trustees, but not later than the third Saturday of April. In order to

1 organize, the trustees of the district ~~shall~~ must be given notice of the time and place where the organization  
 2 meeting will be held, and at ~~such~~ the meeting, they shall choose one of their number as the ~~chairman~~  
 3 presiding officer. In addition, except for the trustees of a high school district operating a county high  
 4 school, the trustees ~~shall~~ may employ and appoint a competent person, who is not a member of the  
 5 trustees, as the clerk of the district. The trustees of a high school district operating a county high school  
 6 ~~shall~~ may appoint a secretary, who ~~shall~~ must be a member of the board.

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

11  
 12 **Section 3.** Section 20-3-325, MCA, is amended to read:

13 **"20-3-325. Clerk of the district.** As provided in 20-3-321, the trustees ~~shall~~ may employ and  
 14 appoint a clerk of the district. ~~The~~ If employed or appointed, the clerk of the district shall attend all  
 15 meetings of the trustees to keep an accurate and permanent record of all the proceedings of each meeting.  
 16 If the clerk is not present at a meeting, the trustees shall ~~have~~ assign one of their members or a district  
 17 employee to act as clerk for the meeting and ~~such~~ that person shall supply the clerk with a certified copy  
 18 of the proceedings. The clerk of the district ~~also shall be~~ or a designee is the custodian of all documents,  
 19 records, and reports of the trustees. Unless the trustees provide otherwise, the clerk or a designee shall:

20 (1) keep an accurate and detailed accounting record of all receipts and expenditures of the district  
 21 in accordance with the financial administration provisions of this title; and

22 (2) prepare the annual trustees' report required under the provisions of 20-9-213."

23  
 24 **Section 4.** Section 20-3-341, MCA, is amended to read:

25 **"20-3-341. Number of trustee positions in elementary districts -- transition.** The number of trustee  
 26 positions in each elementary district ~~shall vary~~ varies according to the district's classification, as established  
 27 by 20-6-201:

28 (1) There ~~must be~~ are seven trustee positions in a first-class elementary district.

29 (2) There ~~must be~~ are five trustee positions in a second-class elementary district; ~~however,~~  
 30 However, upon a majority vote of the board of trustees, the number may be increased to seven trustee

1 positions at the next trustee election, provided that notice of the action of the board of trustees is published  
 2 by the clerk of the district or a designee in a newspaper of general circulation in the county prior to January  
 3 1 of the year of the trustee election. The board of trustees may reduce the number of trustee positions  
 4 from seven to five upon receiving a petition for that purpose from at least 10 qualified electors of the  
 5 district.

6 (3) There ~~must be~~ are three trustee positions in a third-class elementary district; ~~however,~~  
 7 However, upon a majority vote of the board of trustees, the number may be increased to five trustee  
 8 positions at the next trustee election, provided that notice of the action of the board of trustees is published  
 9 by the clerk of the district or a designee in a newspaper of general circulation in the county prior to January  
 10 1 of the year of the trustee election. The board of trustees may reduce the number of trustee positions  
 11 from five to three upon receiving a petition for that purpose from at least 10 qualified electors of the  
 12 district.

13 (4) (a) If the number of trustee positions in a second-class elementary district is decreased from  
 14 seven to five in accordance with the provisions of subsection (2), one position is eliminated at the time of  
 15 the first subsequent school election and one position is eliminated at the next school election.

16 (b) If the number of trustee positions in a third-class elementary district is decreased from five to  
 17 three in accordance with the provisions of subsection (3), one position is eliminated at the time of the first  
 18 subsequent school election when two trustee positions would have been filled and one position is  
 19 eliminated at the next school election when two trustee positions would have been filled."

20

21 **Section 5.** Section 20-3-344, MCA, is amended to read:

22 **"20-3-344. Nomination of candidates by petition in first-class elementary district.** Except as  
 23 provided in 20-3-338, any 20 electors, qualified under the provisions of 20-20-301, of any first-class  
 24 elementary district may nominate by petition as many trustee candidates as there are trustee positions  
 25 subject to election at the ensuing election. The name of each person nominated for candidacy ~~shall~~ must  
 26 be submitted to the clerk of the district or a designee not less than 40 days before the regular school  
 27 election day at which ~~he~~ the person is to be a candidate. If there are different terms to be filled, the term  
 28 for which each candidate is nominated ~~shall~~ must also be indicated. The election ~~shall~~ must be conducted  
 29 with the ballot as specified in 20-3-306."

30

1           **Section 6.** Section 20-4-201, MCA, is amended to read:

2           **"20-4-201. Employment of teachers and specialists by contract.** (1) The trustees of any district  
3 ~~shall have the authority to~~ may employ any person as a teacher or specialist, but the trustees may only  
4 employ a person who holds a valid Montana teacher or specialist certificate or for whom an emergency  
5 authorization of employment has been issued that qualifies ~~such~~ the person to perform the duties prescribed  
6 by the trustees for the position of employment. Each teacher or specialist ~~shall~~ must be employed under  
7 written contract, and each contract of employment ~~shall~~ must be authorized by a proper resolution of the  
8 trustees and ~~shall~~ must be executed in duplicate by the ~~chairman~~ presiding officer of the trustees and by  
9 the clerk of the district or a designee, in the name of the district, and by the teacher or specialist.

10           (2) ~~No~~ A contract of employment with a teacher or specialist ~~shall~~ may not require ~~such~~ the teacher  
11 or specialist to teach more than 5 days a week or on any holiday recognized by 20-1-305. ~~No~~ A deduction  
12 ~~shall~~ may not be made from a teacher's or specialist's salary by reason of the fact that a holiday falls on  
13 a school day. ~~Any~~ A teacher's or specialist's contract made in conflict with the 5-days-per-week provision  
14 of this section ~~shall~~ is not ~~be~~ enforceable against the teacher or specialist.

15           (3) Whenever the board of trustees of two or more school districts form a joint board of trustees  
16 under the provisions of 20-3-361, ~~such~~ that joint board of trustees may execute a contract of employment  
17 with a teacher or specialist who shall serve the districts. When ~~such~~ a contract is executed, the districts  
18 shall prorate the compensation provided by ~~such~~ the contract on the basis of the total number of  
19 instructional hours expended by ~~such~~ that teacher or specialist within each district.

20           (4) ~~Any~~ A contract executed under the provisions of this section may contain the oath or  
21 affirmation prescribed in 20-4-104, and the teacher or specialist shall subscribe to ~~such~~ that oath or  
22 affirmation before an officer authorized by law to administer oaths."  
23

24           **Section 7.** Section 20-4-401, MCA, is amended to read:

25           **"20-4-401. Appointment and dismissal of district superintendent or county high school principal.**  
26 (1) ~~The~~ If the trustees of any high school district, except a county high school, and the trustees of the  
27 elementary district where its high school building is located choose to employ or appoint a district  
28 superintendent, the districts shall jointly employ and appoint a district superintendent. The trustees of a  
29 county high school ~~shall~~ may employ and appoint a district superintendent, except that they may employ  
30 and appoint a holder of a class 3 teacher certificate with a district superintendent endorsement as the

1 county high school principal in lieu of a district superintendent. The trustees of any other district may  
2 employ and appoint a district superintendent.

3 (2) Whenever a joint board of trustees has been formed by a county high school and the  
4 elementary district where the county high school is located, ~~such the~~ joint board shall jointly employ and  
5 appoint a district superintendent. During the term of contract of the jointly appointed district  
6 superintendent, neither district ~~shall~~ may separately employ and appoint a district superintendent or county  
7 high school principal.

8 (3) School districts other than those provided in subsection (2) that form a joint board of trustees  
9 may jointly employ and appoint a district superintendent as allowed in 20-3-362.

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

22 (5) Whenever a joint board of trustees employs a person as the district superintendent under  
23 subsection (2) or (3), the districts shall prorate the compensation provided by the contract of employment  
24 on the basis of the number of teachers employed by each district.

25 (6) At any time the class 3 teacher certification or the endorsement of the certificate of a district  
26 superintendent or a county high school principal that qualifies ~~such that~~ person to hold ~~such the~~ position  
27 becomes invalid, the trustees of the district or the joint board of trustees shall discharge ~~such the~~ person  
28 as the district superintendent or county high school principal regardless of the unexpired term of ~~his the~~  
29 contract. The trustees ~~shall~~ may not compensate ~~him the person~~ under the terms of ~~his the~~ contract for  
30 any services rendered subsequent to the date of the invalidation of ~~his the person's~~ teacher certificate.

1           (7) ~~No~~ A district superintendent or county high school principal ~~shall~~ may not engage in any work  
2 or activity which the trustees ~~may deem~~ consider to be in conflict with ~~his~~ duties and employment as the  
3 district superintendent or county high school principal."  
4

5           **Section 8.** Section 20-5-201, MCA, is amended to read:

6           **"20-5-201. Duties and sanctions.** (1) A pupil shall:

7           (a) comply with the policies of the trustees and the rules of the school that the pupil attends;

8           (b) pursue the required course of instruction;

9           (c) submit to the authority of the teachers, principal, and district superintendent of the district; and

10          (d) be subject to the control and authority of the teachers, principal, and district superintendent  
11 while the pupil is in school or on school premises, on the way to and from school, or during intermission  
12 or recess.

13          (2) A pupil who continually and willfully disobeys the provisions of this section, shows open  
14 defiance of the authority vested in school personnel by this section, defaces or damages any school  
15 building, school grounds, furniture, equipment, book belonging to the district, or harms or threatens to harm  
16 another person or the person's property is liable for punishment, suspension, or expulsion under the  
17 provisions of this title. When a pupil defaces or damages school property the pupil's parent or guardian is  
18 liable for the cost of repair or replacement upon the complaint of the teacher, the principal, the  
19 superintendent, a designee of the principal or superintendent, or any trustee and the proof of any damage.

20          (3) In addition to the sanctions prescribed in this section, the trustees of a high school district may  
21 deny a high school pupil the honor of participating in the graduation exercise or exclude a high school pupil  
22 from participating in school activities. The trustees may not take action under this subsection until the  
23 incident or infraction causing the consideration has been investigated and the trustees have determined that  
24 the high school pupil was involved in the incident or infraction.

25          (4) (a) A school district may withhold the grades, diploma, or transcripts of a pupil who is  
26 responsible for the cost of school materials or the loss or damage of school property until the pupil or the  
27 pupil's parent or guardian satisfies the obligation.

28          (b) A school district that decides to withhold a pupil's grades, diploma, or transcripts from the pupil  
29 and the pupil's parent or guardian pursuant to subsection (4)(a) shall:

30          (i) upon receiving notice that the pupil has transferred to another school district in the state, notify

1 the pupil's parent or guardian in writing that the school district to which the pupil has transferred will be  
 2 requested to withhold the pupil's grades, diploma, or transcripts until any obligation has been satisfied;

3 (ii) forward appropriate grades or transcripts to the school to which the pupil has transferred;

4 (iii) at the same time, notify the school district of any financial obligation of the pupil and request  
 5 the withholding of the pupil's grades, diploma, or transcripts until any obligations are met;

6 (iv) when the pupil or the pupil's parent or guardian satisfies the obligation, inform the school  
 7 district to which the pupil has transferred; and

8 (v) adopt a policy regarding a process for a pupil or the pupil's parent or guardian to appeal the  
 9 school district's decision to request that another school district withhold a pupil's grades, diploma, or  
 10 transcripts.

11 (c) Upon receiving notice that a school district has requested the withholding of the grades,  
 12 diploma, or transcripts of a pupil under this subsection (4), a school district to which the pupil has  
 13 transferred shall withhold the grades, diploma, or transcripts of the pupil until it receives notice, from the  
 14 district that initiated the decision, that the decision has been rescinded under the terms of subsection  
 15 (4)(a)."

16  
 17 **Section 9.** Section 20-5-202, MCA, is amended to read:

18 "**20-5-202. Suspension and expulsion.** As provided in 20-4-302, 20-4-402, and 20-4-403, any  
 19 pupil may be suspended by a teacher, superintendent, or principal. The trustees of the district shall adopt  
 20 a policy defining the authority and procedure to be used by a teacher, superintendent, ~~or principal,~~ or  
 21 designee of a superintendent or principal in suspending a pupil and to define the circumstances and  
 22 procedures by which the trustees may expel a pupil. Expulsion ~~shall be~~ is a disciplinary action available  
 23 only to the trustees."

24  
 25 **Section 10.** Section 20-6-209, MCA, is amended to read:

26 "**20-6-209. Elementary district abandonment.** (1) The county superintendent shall declare an  
 27 elementary district to be abandoned and order the attachment of the territory of ~~such~~ that district to a  
 28 contiguous district of the county when:

29 (a) a school has not been operated by a district for at least 180 days under the provisions of  
 30 20-1-301 for each of 3 consecutive school fiscal years or a lesser number of days as approved by the

1 county superintendent or the superintendent of public instruction under the provisions of 20-9-804; or

2 (b) there is an insufficient number of residents who are qualified electors of the district that can  
3 and will serve as the trustees and clerk of the district or a designee, so that a legal board of trustees can  
4 be organized.

5 (2) The county superintendent shall notify the elementary district that has not operated a school  
6 for 2 consecutive years before the first day of the third year that the failure to operate a school for 180  
7 days or a lesser number of days than approved by the county superintendent or the superintendent of  
8 public instruction as provided under the provisions of 20-9-804 during the ensuing school fiscal year shall  
9 constitute grounds for abandonment of ~~such~~ the district at the conclusion of the succeeding school fiscal  
10 year. Failure by the county superintendent to provide ~~such~~ that notification ~~shall~~ does not constitute a  
11 waiver of the abandonment requirement prescribed in subsection (1)(a) ~~above~~.

12 (3) ~~Any~~ An abandonment under subsection (1)(a) ~~shall become~~ is effective on July 1. Any  
13 abandonment of an elementary district under subsection (1)(b) ~~shall become~~ is effective ~~immediately~~  
14 date of the abandonment order."

15  
16 **Section 11.** Section 20-7-101, MCA, is amended to read:

17 "**20-7-101. Standards of accreditation -- exception.** (1) ~~Standards~~ Except as provided in  
18 subsection (3), standards of accreditation for all schools shall must be adopted by the board of public  
19 education upon the recommendations of the superintendent of public instruction.

20 (2) Standards for the retention of school records must be as provided in 20-1-212.

21 (3) The board of public education may not adopt accreditation standards that require a district to  
22 employ administrative personnel, including but not limited to a superintendent, clerk, building administrator,  
23 curriculum coordinator, or principal."

24  
25 **Section 12.** Section 20-7-102, MCA, is amended to read:

26 "**20-7-102. Accreditation of schools.** (1) ~~Every~~ Each school year the conditions under which each  
27 elementary school, middle school, junior high school, and high school operates ~~shall~~ must be reviewed by  
28 the superintendent of public instruction to determine each school's compliance with the standards of  
29 accreditation. The accreditation status of ~~every~~ each school ~~shall~~ must then be established by the board  
30 of public education upon the recommendation of the superintendent of public instruction, and notification



1 of ~~such~~ the status for the applicable school year ~~shall~~ must be given to each district. The board of public  
 2 education may not adopt accreditation standards that require a district to employ administrative personnel,  
 3 including but not limited to a superintendent, clerk, or principal.

4 (2) A nonpublic school may, through its governing body, request that the board of public education  
 5 accredit the school. Nonpublic schools may be accredited in the same manner as provided in subsection  
 6 (1)."

7  
 8 **Section 13.** Section 20-7-112, MCA, is amended to read:

9 **"20-7-112. Sectarian publications prohibited and prayer permitted.** A publication of a sectarian  
 10 or denominational character may not be distributed in any school. Instruction may not be given advocating  
 11 sectarian or denominational doctrines. However, any teacher, principal, ~~or~~ superintendent, or designee of  
 12 a principal or superintendent may open the school day with a prayer. This section does not prohibit a  
 13 school library from including the Bible or other religious material having cultural, historical, or educational  
 14 significance."

15  
 16 **Section 14.** Section 20-9-113, MCA, is amended to read:

17 **"20-9-113. Preparation and adoption of preliminary budget by trustees.** (1) The trustees of a  
 18 district shall meet at their regular place of meeting at any time from February 1 through the fourth Monday  
 19 in June, at the discretion of the board, to adopt a preliminary budget for the next ensuing school fiscal year.  
 20 This budget meeting may be continued from day to day but may not exceed 5 days in total. Any taxpayer  
 21 in the district may attend the meeting and be heard in regard to the preliminary budget or any item or  
 22 amount proposed to be included in the budget. The preliminary budget must include all funds that require  
 23 the adoption of a budget and that the trustees wish to utilize during the ensuing year.

24 (2) The proposed expenditures adopted as the preliminary budget must be entered on the  
 25 appropriate portion of the budget form. The amount of the preliminary general fund budget for a district  
 26 may not exceed the maximum general fund budget for the district except in the manner permitted by the  
 27 laws of Montana. If any appropriation item of the preliminary budget provides for the payment of wages  
 28 or salaries to more than one person, the district shall attach to the preliminary budget a separate listing of  
 29 each position of employment with the budgeted amount of compensation for each position.

30 (3) After the adoption of the preliminary budget by the trustees, the presiding officer of the trustees

1 and the clerk of the district or a designee shall sign the budget form, and it shall constitute the preliminary  
 2 budget for the district. The trustees shall send both copies of the adopted preliminary budget, with all  
 3 appendages and any other information required by law, to the county superintendent on or before the fifth  
 4 day after the fourth Monday of June.

5 (4) At least 2 weeks before the first meeting day on adoption of a preliminary budget for the  
 6 ensuing school fiscal year, as required by this section, the trustees of a district shall publish a notice of the  
 7 meeting at least one time in a newspaper of general circulation in the district. The notice must state that  
 8 any taxpayer in the district may attend the meeting and be heard on the preliminary budget."

9  
 10 **Section 15.** Section 20-9-115, MCA, is amended to read:

11 "20-9-115. **Notice of preliminary budget filing and final budget meeting.** Between July 10 and July  
 12 20 of each year, the clerk of each district or a designee shall publish notice one time, in the local or county  
 13 newspaper that the trustees of the district determine to be the newspaper with the widest circulation in  
 14 the district, stating that the preliminary budget for the district for the school fiscal year just beginning, as  
 15 prepared and adopted by the trustees, is on file in ~~his~~ the school district's office and open to inspection by  
 16 all taxpayers. The notice must also state the time and place that the trustees will meet on the fourth  
 17 Monday in July for the purpose of considering and adopting the final budget of the district, that the meeting  
 18 of the trustees may be continued from day to day until the final adoption of the district's budget, and that  
 19 any taxpayer in the district may appear at the meeting and be heard for or against any part of the budget."

20  
 21 **Section 16.** Section 20-9-133, MCA, is amended to read:

22 "20-9-133. **Adoption and expenditure limitations of final budget.** (1) When the trustees determine  
 23 and set the amount of the budget for each budgeted fund, they shall enter the amount in the portion of the  
 24 budget form provided for the reporting of the final budget and the ~~chairman~~ presiding officer and the clerk  
 25 or a designee shall sign the budget form. The resulting budget constitutes the final budget and the  
 26 appropriations for the district for the current school fiscal year.

27 (2) Except as provided in subsection (3), the trustees and all officers and employees of the district  
 28 are limited in making expenditures or incurring liabilities to the total amount of each fund's budget.  
 29 Transfers from any appropriation item to another appropriation item within a fund's budget may be made  
 30 as provided by 20-9-208. Except as provided in subsection (3), money of the district may not be used to

1 pay expenditures made, liabilities incurred, or warrants issued in excess of the final budget established for  
2 each budgeted fund.

3 (3) If a district incurs a legal bonded debt payment after the final debt service fund budget for the  
4 current fiscal year has been adopted and if payment on the debt is required for the current fiscal year,  
5 payment on the debt in the current school fiscal year is allowed if money is available."  
6

7 **Section 17.** Section 20-9-165, MCA, is amended to read:

8 **"20-9-165. Budget amendment limitation, preparation, and adoption procedures.** (1) The meeting  
9 of the trustees to consider and adopt a budget amendment must be open to the public, and any taxpayer  
10 in the district has the right to appear and be heard. If at the meeting a majority of the trustees present find  
11 that there is sufficient need for a budget amendment, the trustees may make and adopt a preliminary  
12 budget amendment, setting forth fully the facts constituting the need for the budget amendment. In  
13 adopting the preliminary budget amendment, the trustees may budget for any fund that was included on  
14 the final budget of the district for the current school fiscal year. The budget must be itemized to show the  
15 amount appropriated for each item.

16 (2) When the budget amendment is the result of increased enrollment, the maximum amount of  
17 the budget amendment for all funds must be determined in the following manner:

18 (a) Determine the total amount in the final budget for the current school fiscal year of all funds  
19 affected by the enrollment increase, less any amounts appropriated as capital outlay and any amount  
20 appropriated for addition to the operating reserve.

21 (b) Divide the amount determined in subsection (2)(a) by the number of pupils originally enrolled  
22 in the district during the immediately preceding school fiscal year. The resulting cost per pupil is the  
23 maximum permissible per-pupil expenditure in the budget amendment.

24 (c) Determine the enrollment increase of the current school fiscal year by subtracting the number  
25 of pupils originally enrolled during the immediately preceding school fiscal year from the number of pupils  
26 enrolled for the current school year. The result is the enrollment increase for the current school fiscal year.

27 (d) Multiply the cost per pupil determined in subsection (2)(b) by the enrollment increase  
28 determined in subsection (2)(c). The result is the maximum limitation on a budget amendment for  
29 amendments resulting from increased enrollment.

30 (3) For other types of budget amendments, the budget amendment is limited to the expenditures

1 considered by the trustees to be reasonable and necessary to finance the conditions of the budget  
2 amendment and the preliminary budget amendment must include the details of the proposed expenditures.

3 (4) Whenever the trustees adopt a preliminary budget amendment for the transportation fund, the  
4 trustees shall attach to the budget amendment a copy of each transportation contract that is connected  
5 with the budget amendment and that has been prepared and executed in accordance with the school  
6 transportation contract laws.

7 (5) After the trustees have adopted the budget amendment by a majority vote of the trustees, it  
8 must be signed by the ~~chairman~~ presiding officer of the trustees and the clerk of the district or a designee  
9 and copies must be sent to the county superintendent, the county treasurer, and the superintendent of  
10 public instruction."

11  
12 **Section 18.** Section 20-9-221, MCA, is amended to read:

13 **"20-9-221. Procedure for issuance of warrants.** (1) The trustees of each district shall issue all  
14 warrants, and the warrants must identify:

15 (a) the budgeted fund or nonbudgeted fund on which the warrant is drawn; and

16 (b) the warrant as a budget amendment warrant if it is drawn on a budget amendment.

17 (2) All warrants issued by a district must be ~~countersigned~~ signed by the ~~chairman~~ presiding officer  
18 of the trustees and the clerk of the district or a designee before the warrants are negotiable. Facsimile  
19 signatures may be used in accordance with the provisions of 2-16-114. A facsimile signature device used  
20 under authority of this section may not be available to the other countersigner of the warrant, or the device  
21 must have a nonresettable metering control that can provide a positive reconciliation between the number  
22 of warrants issued and the number of signatures applied. Either split signature plates or a double signature  
23 plate may be used according to the requirements of the district. The signature plates and the device keys  
24 must be kept secure by the district clerk or a designee under the supervision of the board of trustees of the  
25 district.

26 (3) The trustees shall issue warrants in single copy or in triplicate copy. When the warrants are  
27 issued in single copy, the trustees shall immediately provide a listing of the issued warrants on a  
28 fund-by-fund basis to the county treasurer and retain a copy of the listing in the district accounting records.  
29 When the warrants are issued in triplicate, the original copy of the warrant must be delivered to the payee,  
30 the duplicate must be sent immediately to the county treasurer, and the triplicate must be retained by the

1 district for accounting record purposes. The duplicate and triplicate copies must be identified on the face  
2 of the warrant as "Not Negotiable--Copy of Original".

3 (4) However, the trustees may elect to issue warrants in payment of wages and salaries on a direct  
4 deposit basis to the employee's account in a local bank, provided the consent of the employee has been  
5 obtained and the employee is given an itemized statement of payroll deductions for each pay period."

6  
7 **Section 19.** Section 20-9-433, MCA, is amended to read:

8 **"20-9-433. Form and printing of school district bonds.** (1) It is not necessary for the trustees to  
9 prescribe the detailed form of the bonds to be issued, but the bonds must conform to all legal requirements  
10 for their payment whether they are issued as amortization or serial bonds. The bonds and coupons ~~shall~~  
11 must be issued in the name of the school district and ~~shall~~ must be executed by the ~~chairman presiding~~  
12 officer of the trustees and the school district clerk or a designee in accordance with 2-16-114. If the bonds  
13 are purchased by the board of investments, all payments of principal or interest ~~shall~~ must be made at the  
14 office of the state treasurer.

15 (2) The trustees shall cause the bonds, with the attached coupons, to be printed at the expense  
16 of the school district at the lowest commercial rates."

17

18 **Section 20.** Section 20-9-434, MCA, is amended to read:

19 **"20-9-434. Registration of school district bonds by county treasurer and copy for preservation.**

20 (1) When the school district bonds have been duly executed by the ~~chairman presiding officer~~  
21 trustees and the school district clerk or a designee, all ~~such~~ bonds ~~shall~~ must be registered by the county  
22 treasurer in ~~his~~ the treasurer's bond registration book before ~~such~~ the bonds are delivered to the purchaser.

23 The bond registration ~~shall~~ must show:

- 24 (a) the number and amount of each bond;
- 25 (b) the date of issue;
- 26 (c) the redeemable date of each bond;
- 27 (d) the name of the purchaser; and
- 28 (e) the amount and due date of all payments required on the bonds.

29 (2) The trustees shall provide the county treasurer with an unsigned and canceled printed copy of  
30 each issue of school district bonds for preservation in the office of the county treasurer."

1           **Section 21.** Section 20-9-442, MCA, is amended to read:

2           **"20-9-442. Entries of payments and notification of school district.** The county treasurer shall make  
3 the necessary entries of all payments of interest and principal on ~~his~~ the bond registration record and shall  
4 promptly notify the clerk of the school district or a designee when ~~such~~ those payments are made. The  
5 county treasurer also shall deliver the canceled coupons and bonds to the county clerk at the end of each  
6 month. The county clerk shall file ~~such~~ the canceled coupons and bonds in ~~his~~ the clerk's office."

7

8           **Section 22.** Section 20-15-325, MCA, is amended to read:

9           **"20-15-325. Emergency budget limitation, preparation, and adoption procedures.** (1) The meeting  
10 of the trustees of a community college district to consider and adopt an emergency budget must be open  
11 to the public, and any taxpayer in the district has the right to appear and be heard. If at the meeting a  
12 majority of the trustees present find that an emergency exists, the trustees may make and adopt a  
13 preliminary emergency budget, on the regular budget form, setting forth fully the facts constituting the  
14 emergency. In adopting the preliminary emergency budget, the trustees may budget for any fund that was  
15 included on the final budget of the district for the current fiscal year. The budget must be itemized to show  
16 the amount appropriated for each item as required on the budget form.

17           (2) When the emergency is the result of increased enrollment, the maximum amount of the  
18 emergency budget for all funds must be determined by budget amendment.

19           (3) If another type of emergency occurs, the budget must be limited to the expenditures considered  
20 by the trustees to be reasonable and necessary to finance the conditions of the emergency and the  
21 preliminary emergency budget must include the details of the proposed expenditures.

22           (4) After a majority of the trustees have voted to adopt the emergency budget, it must be signed  
23 by the ~~chairman~~ presiding officer of the trustees and the clerk of the district or a designee and copies must  
24 be sent to the county superintendent, the county treasurer, and the board of regents."

25

26           **Section 23.** Section 20-20-401, MCA, is amended to read:

27           **"20-20-401. Trustees' election duties -- ballot certification.** (1) The trustees are the general  
28 supervisors of school elections unless the trustees request and the county election administrator agrees to  
29 conduct a school election under 20-20-417.

30           (2) Not less than 15 days before an election, the clerk of the district or a designee shall prepare

1 a certified list of the names of all candidates entitled to be on the ballot and the official wording for each  
2 ballot issue. The clerk or a designee shall arrange for printing the ballots. Ballots for absentee voting must  
3 be printed and available at least 11 days prior to the election. Names of candidates on school election  
4 ballots need not be rotated.

5 (3) Before the opening of the polls, the trustees shall cause each polling place to be supplied with  
6 the ballots and supplies necessary to conduct the election."

7

8 **Section 24.** Section 20-20-417, MCA, is amended to read:

9 **"20-20-417. Request for county election administrator to conduct election.** (1) By June 1 of each  
10 year, the trustees of any district may request the county election administrator to conduct certain school  
11 elections during the ensuing school fiscal year.

12 (2) Whenever the county election administrator agrees to conduct a school election, ~~he~~ the  
13 administrator shall:

14 (a) perform the duties imposed on the trustees and the clerk of the district or a designee, for school  
15 elections in 20-20-203, 20-20-313, and 20-20-401;

16 (b) conduct the election in accordance with the provisions of Title 13, chapters 13 and 15; and

17 (c) deliver to the trustees, for the purpose of canvassing the vote, the certified tally sheets and  
18 other items as provided in 13-15-301.

19 (3) Whenever the trustees request the county election administrator to conduct a school election,  
20 the school district shall pay the costs of the election as provided in 13-1-302."

21

22 **NEW SECTION. Section 25. Effective date.** [This act] is effective on passage and approval.

23

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0480, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act to implement Article X, Section 8, of the Montana Constitution by clarifying the Board of Public Education's authority to adopt accreditation standards that require a school district to employ administrative personnel; clarifying the local board of trustees authority to establish an appropriate management structure for its schools; eliminating requirements that a school district hire certain district administrators.

ASSUMPTIONS:

1. HB 480 prohibits the Board of Public Education from adopting accreditation standards that require a district to employ administrative personnel, including but not limited to a superintendent, clerk, building administrator, curriculum coordinator, or principal.
2. HB 480 does not change the basic and per-ANB entitlement provided to school districts. All school districts must reach the BASE budget level by July 1, 1997. HB 480 has no affect on state support for school district general fund budgets.
3. If school boards choose to reduce administrative staff in response to HB 480, there would be a decrease in county teacher retirement contributions. These savings would not be realized until the districts had paid out the termination costs for the administrative personnel that are terminated.

FISCAL IMPACT: No impact on state revenues and expenditures for public schools in the 1997 biennium.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

School districts would have authority to eliminate some currently required administrative employees. To the extent districts eliminate administrative employees expenditures and local taxes may be reduced or expenditures on other items may be increased.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

*David Lewis* 2-13-95  
DAVID LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

PEGGY ARNOTT, PRIMARY SPONSOR      DATE

Fiscal Note for HB0480, as introduced

**HB 480**



1 *Denny* *McIntyre* *House* BILL NO. *480* *Wm E Behariski*  
 2 INTRODUCED BY *Arnott* *Smilkins* *Fisher* *Curtiss* *Martinez* *ORR*  
 3 *Rich* *Rehbein* *Storall* *Herron* *Green* *Cobb* *Keenan*  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO IMPLEMENT ARTICLE X, SECTION 8, OF THE MONTANA  
 5 CONSTITUTION BY CLARIFYING THE BOARD OF PUBLIC EDUCATION'S AUTHORITY TO ADOPT  
 6 ACCREDITATION STANDARDS THAT REQUIRE A SCHOOL DISTRICT TO EMPLOY ADMINISTRATIVE

7 PERSONNEL; CLARIFYING THE LOCAL BOARD OF TRUSTEES' AUTHORITY TO ESTABLISH AN  
 8 APPROPRIATE MANAGEMENT STRUCTURE FOR ITS SCHOOLS; ELIMINATING REQUIREMENTS THAT A  
 9 SCHOOL DISTRICT HIRE CERTAIN DISTRICT ADMINISTRATORS; AMENDING SECTIONS 20-3-305,  
 10 20-3-321, 20-3-325, 20-3-341, 20-3-344, 20-4-201, 20-4-401, 20-5-201, 20-5-202, 20-6-209, 20-7-101,  
 11 20-7-102, 20-7-112, 20-9-113, 20-9-115, 20-9-133, 20-9-165, 20-9-221, 20-9-433, 20-9-434, 20-9-442,  
 12 20-15-325, 20-20-401, AND 20-20-417, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

15  
 16 **Section 1.** Section 20-3-305, MCA, is amended to read:

17 **"20-3-305. Candidate qualification and nomination.** (1) Except as provided in 20-3-338, any  
 18 person who is qualified to vote in a district under the provisions of 20-20-301 ~~shall~~ must be eligible for the  
 19 office of trustee.

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

26  
 27 **Section 2.** Section 20-3-321, MCA, is amended to read:

28 **"20-3-321. Organization and officers.** (1) The trustees of each district shall annually organize as  
 29 a governing board of the district after the regular election day and after the issuance of the election  
 30 certificates to the newly elected trustees, but not later than the third Saturday of April. In order to

1 organize, the trustees of the district ~~shall~~ must be given notice of the time and place where the organization  
 2 meeting will be held, and at ~~such~~ the meeting, they shall choose one of their number as the ~~chairman~~  
 3 presiding officer. In addition, except for the trustees of a high school district operating a county high  
 4 school, the trustees ~~shall~~ may employ and appoint a competent person, who is not a member of the  
 5 trustees, as the clerk of the district. The trustees of a high school district operating a county high school  
 6 ~~shall~~ may appoint a secretary, who ~~shall~~ must be a member of the board.

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

11  
 12 **Section 3.** Section 20-3-325, MCA, is amended to read:

13 **"20-3-325. Clerk of the district.** As provided in 20-3-321, the trustees ~~shall~~ may employ and  
 14 appoint a clerk of the district. ~~The~~ If employed or appointed, the clerk of the district shall attend all  
 15 meetings of the trustees to keep an accurate and permanent record of all the proceedings of each meeting.  
 16 If the clerk is not present at a meeting, the trustees shall ~~have~~ assign one of their members or a district  
 17 employee to act as clerk for the meeting and ~~such~~ that person shall supply the clerk with a certified copy  
 18 of the proceedings. The clerk of the district ~~also shall be~~ or a designee is the custodian of all documents,  
 19 records, and reports of the trustees. Unless the trustees provide otherwise, the clerk or a designee shall:

20 (1) keep an accurate and detailed accounting record of all receipts and expenditures of the district  
 21 in accordance with the financial administration provisions of this title; and

22 (2) prepare the annual trustees' report required under the provisions of 20-9-213."

23  
 24 **Section 4.** Section 20-3-341, MCA, is amended to read:

25 **"20-3-341. Number of trustee positions in elementary districts -- transition.** The number of trustee  
 26 positions in each elementary district ~~shall vary~~ varies according to the district's classification, as established  
 27 by 20-6-201:

28 (1) There ~~must be~~ are seven trustee positions in a first-class elementary district.

29 (2) There ~~must be~~ are five trustee positions in a second-class elementary district; ~~however,~~  
 30 However, upon a majority vote of the board of trustees, the number may be increased to seven trustee

1 positions at the next trustee election, provided that notice of the action of the board of trustees is published  
 2 by the clerk of the district or a designee in a newspaper of general circulation in the county prior to January  
 3 1 of the year of the trustee election. The board of trustees may reduce the number of trustee positions  
 4 from seven to five upon receiving a petition for that purpose from at least 10 qualified electors of the  
 5 district.

6 (3) There ~~must be~~ are three trustee positions in a third-class elementary district; ~~however,~~  
 7 However, upon a majority vote of the board of trustees, the number may be increased to five trustee  
 8 positions at the next trustee election, provided that notice of the action of the board of trustees is published  
 9 by the clerk of the district or a designee in a newspaper of general circulation in the county prior to January  
 10 1 of the year of the trustee election. The board of trustees may reduce the number of trustee positions  
 11 from five to three upon receiving a petition for that purpose from at least 10 qualified electors of the  
 12 district.

13 (4) (a) If the number of trustee positions in a second-class elementary district is decreased from  
 14 seven to five in accordance with the provisions of subsection (2), one position is eliminated at the time of  
 15 the first subsequent school election and one position is eliminated at the next school election.

16 (b) If the number of trustee positions in a third-class elementary district is decreased from five to  
 17 three in accordance with the provisions of subsection (3), one position is eliminated at the time of the first  
 18 subsequent school election when two trustee positions would have been filled and one position is  
 19 eliminated at the next school election when two trustee positions would have been filled."

20  
 21 **Section 5.** Section 20-3-344, MCA, is amended to read:

22 "**20-3-344. Nomination of candidates by petition in first-class elementary district.** Except as  
 23 provided in 20-3-338, any 20 electors, qualified under the provisions of 20-20-301, of any first-class  
 24 elementary district may nominate by petition as many trustee candidates as there are trustee positions  
 25 subject to election at the ensuing election. The name of each person nominated for candidacy ~~shall~~ must  
 26 be submitted to the clerk of the district or a designee not less than 40 days before the regular school  
 27 election day at which ~~he~~ the person is to be a candidate. If there are different terms to be filled, the term  
 28 for which each candidate is nominated ~~shall~~ must also be indicated. The election ~~shall~~ must be conducted  
 29 with the ballot as specified in 20-3-306."

1           **Section 6.** Section 20-4-201, MCA, is amended to read:

2           **"20-4-201. Employment of teachers and specialists by contract.** (1) The trustees of any district  
3 ~~shall have the authority to~~ may employ any person as a teacher or specialist, but the trustees may only  
4 employ a person who holds a valid Montana teacher or specialist certificate or for whom an emergency  
5 authorization of employment has been issued that qualifies ~~such~~ the person to perform the duties prescribed  
6 by the trustees for the position of employment. Each teacher or specialist ~~shall~~ must be employed under  
7 written contract, and each contract of employment ~~shall~~ must be authorized by a proper resolution of the  
8 trustees and ~~shall~~ must be executed in duplicate by the ~~chairman~~ presiding officer of the trustees and by  
9 the clerk of the district or a designee, in the name of the district, and by the teacher or specialist.

10           (2) ~~No~~ A contract of employment with a teacher or specialist ~~shall~~ may not require ~~such~~ the teacher  
11 or specialist to teach more than 5 days a week or on any holiday recognized by 20-1-305. ~~No~~ A deduction  
12 ~~shall~~ may not be made from a teacher's or specialist's salary by reason of the fact that a holiday falls on  
13 a school day. ~~Any~~ A teacher's or specialist's contract made in conflict with the 5-days-per-week provision  
14 of this section ~~shall~~ is not ~~be~~ enforceable against the teacher or specialist.

15           (3) Whenever the board of trustees of two or more school districts form a joint board of trustees  
16 under the provisions of 20-3-361, ~~such~~ that joint board of trustees may execute a contract of employment  
17 with a teacher or specialist who shall serve the districts. When ~~such~~ a contract is executed, the districts  
18 shall prorate the compensation provided by ~~such~~ the contract on the basis of the total number of  
19 instructional hours expended by ~~such~~ that teacher or specialist within each district.

20           (4) ~~Any~~ A contract executed under the provisions of this section may contain the oath or  
21 affirmation prescribed in 20-4-104, and the teacher or specialist shall subscribe to ~~such~~ that oath or  
22 affirmation before an officer authorized by law to administer oaths."  
23

24           **Section 7.** Section 20-4-401, MCA, is amended to read:

25           **"20-4-401. Appointment and dismissal of district superintendent or county high school principal.**

26 (1) ~~The~~ if the trustees of any high school district, except a county high school, and the trustees of the  
27 elementary district where its high school building is located choose to employ or appoint a district  
28 superintendent, the districts shall jointly employ and appoint a district superintendent. The trustees of a  
29 county high school ~~shall~~ may employ and appoint a district superintendent, except that they may employ  
30 and appoint a holder of a class 3 teacher certificate with a district superintendent endorsement as the

1 county high school principal in lieu of a district superintendent. The trustees of any other district may  
2 employ and appoint a district superintendent.

3 (2) Whenever a joint board of trustees has been formed by a county high school and the  
4 elementary district where the county high school is located, ~~such~~ the joint board shall jointly employ and  
5 appoint a district superintendent. During the term of contract of the jointly appointed district  
6 superintendent, neither district ~~shall~~ may separately employ and appoint a district superintendent or county  
7 high school principal.

8 (3) School districts other than those provided in subsection (2) that form a joint board of trustees  
9 may jointly employ and appoint a district superintendent as allowed in 20-3-362.

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

22 (5) Whenever a joint board of trustees employs a person as the district superintendent under  
23 subsection (2) or (3), the districts shall prorate the compensation provided by the contract of employment  
24 on the basis of the number of teachers employed by each district.

25 (6) At any time the class 3 teacher certification or the endorsement of the certificate of a district  
26 superintendent or a county high school principal that qualifies ~~such~~ that person to hold ~~such~~ the position  
27 becomes invalid, the trustees of the district or the joint board of trustees shall discharge ~~such~~ the person  
28 as the district superintendent or county high school principal regardless of the unexpired term of ~~his~~ the  
29 contract. The trustees ~~shall~~ may not compensate ~~him~~ the person under the terms of ~~his~~ the contract for  
30 any services rendered subsequent to the date of the invalidation of ~~his~~ the person's teacher certificate.

1 (7) ~~No~~ A district superintendent or county high school principal ~~shall~~ may not engage in any work  
2 or activity which the trustees ~~may deem~~ consider to be in conflict with ~~his~~ duties and employment as the  
3 district superintendent or county high school principal."  
4

5 **Section 8.** Section 20-5-201, MCA, is amended to read:

6 "**20-5-201. Duties and sanctions.** (1) A pupil shall:

7 (a) comply with the policies of the trustees and the rules of the school that the pupil attends;

8 (b) pursue the required course of instruction;

9 (c) submit to the authority of the teachers, principal, and district superintendent of the district; and

10 (d) be subject to the control and authority of the teachers, principal, and district superintendent  
11 while the pupil is in school or on school premises, on the way to and from school, or during intermission  
12 or recess.

13 (2) A pupil who continually and willfully disobeys the provisions of this section, shows open  
14 defiance of the authority vested in school personnel by this section, defaces or damages any school  
15 building, school grounds, furniture, equipment, book belonging to the district, or harms or threatens to harm  
16 another person or the person's property is liable for punishment, suspension, or expulsion under the  
17 provisions of this title. When a pupil defaces or damages school property the pupil's parent or guardian is  
18 liable for the cost of repair or replacement upon the complaint of the teacher, the principal, the  
19 superintendent, a designee of the principal or superintendent, or any trustee and the proof of any damage.

20 (3) In addition to the sanctions prescribed in this section, the trustees of a high school district may  
21 deny a high school pupil the honor of participating in the graduation exercise or exclude a high school pupil  
22 from participating in school activities. The trustees may not take action under this subsection until the  
23 incident or infraction causing the consideration has been investigated and the trustees have determined that  
24 the high school pupil was involved in the incident or infraction.

25 (4) (a) A school district may withhold the grades, diploma, or transcripts of a pupil who is  
26 responsible for the cost of school materials or the loss or damage of school property until the pupil or the  
27 pupil's parent or guardian satisfies the obligation.

28 (b) A school district that decides to withhold a pupil's grades, diploma, or transcripts from the pupil  
29 and the pupil's parent or guardian pursuant to subsection (4)(a) shall:

30 (i) upon receiving notice that the pupil has transferred to another school district in the state, notify

1 the pupil's parent or guardian in writing that the school district to which the pupil has transferred will be  
2 requested to withhold the pupil's grades, diploma, or transcripts until any obligation has been satisfied;

3 (ii) forward appropriate grades or transcripts to the school to which the pupil has transferred;

4 (iii) at the same time, notify the school district of any financial obligation of the pupil and request  
5 the withholding of the pupil's grades, diploma, or transcripts until any obligations are met;

6 (iv) when the pupil or the pupil's parent or guardian satisfies the obligation, inform the school  
7 district to which the pupil has transferred; and

8 (v) adopt a policy regarding a process for a pupil or the pupil's parent or guardian to appeal the  
9 school district's decision to request that another school district withhold a pupil's grades, diploma, or  
10 transcripts.

11 (c) Upon receiving notice that a school district has requested the withholding of the grades,  
12 diploma, or transcripts of a pupil under this subsection (4), a school district to which the pupil has  
13 transferred shall withhold the grades, diploma, or transcripts of the pupil until it receives notice, from the  
14 district that initiated the decision, that the decision has been rescinded under the terms of subsection  
15 (4)(a)."

16  
17 **Section 9.** Section 20-5-202, MCA, is amended to read:

18 "**20-5-202. Suspension and expulsion.** As provided in 20-4-302, 20-4-402, and 20-4-403, any  
19 pupil may be suspended by a teacher, superintendent, or principal. The trustees of the district shall adopt  
20 a policy defining the authority and procedure to be used by a teacher, superintendent, ~~or principal,~~ or  
21 designee of a superintendent or principal in suspending a pupil and to define the circumstances and  
22 procedures by which the trustees may expel a pupil. Expulsion ~~shall be~~ is a disciplinary action available  
23 only to the trustees."

24  
25 **Section 10.** Section 20-6-209, MCA, is amended to read:

26 "**20-6-209. Elementary district abandonment.** (1) The county superintendent shall declare an  
27 elementary district to be abandoned and order the attachment of the territory of ~~such~~ that district to a  
28 contiguous district of the county when:

29 (a) a school has not been operated by a district for at least 180 days under the provisions of  
30 20-1-301 for each of 3 consecutive school fiscal years or a lesser number of days as approved by the

1 county superintendent or the superintendent of public instruction under the provisions of 20-9-804; or

2 (b) there is an insufficient number of residents who are qualified electors of the district that can  
3 and will serve as the trustees and clerk of the district or a designee, so that a legal board of trustees can  
4 be organized.

5 (2) The county superintendent shall notify the elementary district that has not operated a school  
6 for 2 consecutive years before the first day of the third year that the failure to operate a school for 180  
7 days or a lesser number of days than approved by the county superintendent or the superintendent of  
8 public instruction as provided under the provisions of 20-9-804 during the ensuing school fiscal year shall  
9 constitute grounds for abandonment of ~~such~~ the district at the conclusion of the succeeding school fiscal  
10 year. Failure by the county superintendent to provide ~~such~~ that notification ~~shall~~ does not constitute a  
11 waiver of the abandonment requirement prescribed in subsection (1)(a) ~~above~~.

12 (3) ~~Any~~ An abandonment under subsection (1)(a) ~~shall become~~ is effective on July 1. Any  
13 abandonment of an elementary district under subsection (1)(b) ~~shall become~~ is effective ~~immediately~~  
14 date of the abandonment order."

15  
16 **Section 11.** Section 20-7-101, MCA, is amended to read:

17 "**20-7-101. Standards of accreditation -- exception.** (1) ~~Standards~~ Except as provided in  
18 subsection (3), standards of accreditation for all schools ~~shall~~ must be adopted by the board of public  
19 education upon the recommendations of the superintendent of public instruction.

20 (2) Standards for the retention of school records must be as provided in 20-1-212.

21 (3) The board of public education may not adopt accreditation standards that require a district to  
22 employ administrative personnel, including but not limited to a superintendent, clerk, building administrator,  
23 curriculum coordinator, or principal."

24  
25 **Section 12.** Section 20-7-102, MCA, is amended to read:

26 "**20-7-102. Accreditation of schools.** (1) ~~Every~~ Each school year the conditions under which each  
27 elementary school, middle school, junior high school, and high school operates ~~shall~~ must be reviewed by  
28 the superintendent of public instruction to determine each school's compliance with the standards of  
29 accreditation. The accreditation status of ~~every~~ each school ~~shall~~ must then be established by the board  
30 of public education upon the recommendation of the superintendent of public instruction, and notification



1 of ~~each~~ the status for the applicable school year ~~shall~~ must be given to each district. The board of public  
 2 education may not adopt accreditation standards that require a district to employ administrative personnel,  
 3 including but not limited to a superintendent, clerk, or principal.

4 (2) A nonpublic school may, through its governing body, request that the board of public education  
 5 accredit the school. Nonpublic schools may be accredited in the same manner as provided in subsection  
 6 (1)."

7  
 8 **Section 13.** Section 20-7-112, MCA, is amended to read:

9 **"20-7-112. Sectarian publications prohibited and prayer permitted.** A publication of a sectarian  
 10 or denominational character may not be distributed in any school. Instruction may not be given advocating  
 11 sectarian or denominational doctrines. However, any teacher, principal, ~~or~~ superintendent, or designee of  
 12 a principal or superintendent may open the school day with a prayer. This section does not prohibit a  
 13 school library from including the Bible or other religious material having cultural, historical, or educational  
 14 significance."

15  
 16 **Section 14.** Section 20-9-113, MCA, is amended to read:

17 **"20-9-113. Preparation and adoption of preliminary budget by trustees.** (1) The trustees of a  
 18 district shall meet at their regular place of meeting at any time from February 1 through the fourth Monday  
 19 in June, at the discretion of the board, to adopt a preliminary budget for the next ensuing school fiscal year.  
 20 This budget meeting may be continued from day to day but may not exceed 5 days in total. Any taxpayer  
 21 in the district may attend the meeting and be heard in regard to the preliminary budget or any item or  
 22 amount proposed to be included in the budget. The preliminary budget must include all funds that require  
 23 the adoption of a budget and that the trustees wish to utilize during the ensuing year.

24 (2) The proposed expenditures adopted as the preliminary budget must be entered on the  
 25 appropriate portion of the budget form. The amount of the preliminary general fund budget for a district  
 26 may not exceed the maximum general fund budget for the district except in the manner permitted by the  
 27 laws of Montana. If any appropriation item of the preliminary budget provides for the payment of wages  
 28 or salaries to more than one person, the district shall attach to the preliminary budget a separate listing of  
 29 each position of employment with the budgeted amount of compensation for each position.

30 (3) After the adoption of the preliminary budget by the trustees, the presiding officer of the trustees

1 and the clerk of the district or a designee shall sign the budget form, and it shall constitute the preliminary  
 2 budget for the district. The trustees shall send both copies of the adopted preliminary budget, with all  
 3 appendages and any other information required by law, to the county superintendent on or before the fifth  
 4 day after the fourth Monday of June.

5 (4) At least 2 weeks before the first meeting day on adoption of a preliminary budget for the  
 6 ensuing school fiscal year, as required by this section, the trustees of a district shall publish a notice of the  
 7 meeting at least one time in a newspaper of general circulation in the district. The notice must state that  
 8 any taxpayer in the district may attend the meeting and be heard on the preliminary budget."  
 9

10 **Section 15.** Section 20-9-115, MCA, is amended to read:

11 **"20-9-115. Notice of preliminary budget filing and final budget meeting.** Between July 10 and July  
 12 20 of each year, the clerk of each district or a designee shall publish notice one time, in the local or county  
 13 newspaper that the trustees of the district determine to be the newspaper with the widest circulation in  
 14 the district, stating that the preliminary budget for the district for the school fiscal year just beginning, as  
 15 prepared and adopted by the trustees, is on file in ~~his~~ the school district's office and open to inspection by  
 16 all taxpayers. The notice must also state the time and place that the trustees will meet on the fourth  
 17 Monday in July for the purpose of considering and adopting the final budget of the district, that the meeting  
 18 of the trustees may be continued from day to day until the final adoption of the district's budget, and that  
 19 any taxpayer in the district may appear at the meeting and be heard for or against any part of the budget."  
 20

21 **Section 16.** Section 20-9-133, MCA, is amended to read:

22 **"20-9-133. Adoption and expenditure limitations of final budget.** (1) When the trustees determine  
 23 and set the amount of the budget for each budgeted fund, they shall enter the amount in the portion of the  
 24 budget form provided for the reporting of the final budget and the ~~chairman~~ presiding officer and the clerk  
 25 or a designee shall sign the budget form. The resulting budget constitutes the final budget and the  
 26 appropriations for the district for the current school fiscal year.

27 (2) Except as provided in subsection (3), the trustees and all officers and employees of the district  
 28 are limited in making expenditures or incurring liabilities to the total amount of each fund's budget.  
 29 Transfers from any appropriation item to another appropriation item within a fund's budget may be made  
 30 as provided by 20-9-208. Except as provided in subsection (3), money of the district may not be used to

1 pay expenditures made, liabilities incurred, or warrants issued in excess of the final budget established for  
2 each budgeted fund.

3 (3) If a district incurs a legal bonded debt payment after the final debt service fund budget for the  
4 current fiscal year has been adopted and if payment on the debt is required for the current fiscal year,  
5 payment on the debt in the current school fiscal year is allowed if money is available."  
6

7 **Section 17.** Section 20-9-165, MCA, is amended to read:

8 **"20-9-165. Budget amendment limitation, preparation, and adoption procedures.** (1) The meeting  
9 of the trustees to consider and adopt a budget amendment must be open to the public, and any taxpayer  
10 in the district has the right to appear and be heard. If at the meeting a majority of the trustees present find  
11 that there is sufficient need for a budget amendment, the trustees may make and adopt a preliminary  
12 budget amendment, setting forth fully the facts constituting the need for the budget amendment. In  
13 adopting the preliminary budget amendment, the trustees may budget for any fund that was included on  
14 the final budget of the district for the current school fiscal year. The budget must be itemized to show the  
15 amount appropriated for each item.

16 (2) When the budget amendment is the result of increased enrollment, the maximum amount of  
17 the budget amendment for all funds must be determined in the following manner:

18 (a) Determine the total amount in the final budget for the current school fiscal year of all funds  
19 affected by the enrollment increase, less any amounts appropriated as capital outlay and any amount  
20 appropriated for addition to the operating reserve.

21 (b) Divide the amount determined in subsection (2)(a) by the number of pupils originally enrolled  
22 in the district during the immediately preceding school fiscal year. The resulting cost per pupil is the  
23 maximum permissible per-pupil expenditure in the budget amendment.

24 (c) Determine the enrollment increase of the current school fiscal year by subtracting the number  
25 of pupils originally enrolled during the immediately preceding school fiscal year from the number of pupils  
26 enrolled for the current school year. The result is the enrollment increase for the current school fiscal year.

27 (d) Multiply the cost per pupil determined in subsection (2)(b) by the enrollment increase  
28 determined in subsection (2)(c). The result is the maximum limitation on a budget amendment for  
29 amendments resulting from increased enrollment.

30 (3) For other types of budget amendments, the budget amendment is limited to the expenditures

1 considered by the trustees to be reasonable and necessary to finance the conditions of the budget  
2 amendment and the preliminary budget amendment must include the details of the proposed expenditures.

3 (4) Whenever the trustees adopt a preliminary budget amendment for the transportation fund, the  
4 trustees shall attach to the budget amendment a copy of each transportation contract that is connected  
5 with the budget amendment and that has been prepared and executed in accordance with the school  
6 transportation contract laws.

7 (5) After the trustees have adopted the budget amendment by a majority vote of the trustees, it  
8 must be signed by the ~~chairman~~ presiding officer of the trustees and the clerk of the district or a designee  
9 and copies must be sent to the county superintendent, the county treasurer, and the superintendent of  
10 public instruction."

11

12 **Section 18.** Section 20-9-221, MCA, is amended to read:

13 **"20-9-221. Procedure for issuance of warrants.** (1) The trustees of each district shall issue all  
14 warrants, and the warrants must identify:

15 (a) the budgeted fund or nonbudgeted fund on which the warrant is drawn; and

16 (b) the warrant as a budget amendment warrant if it is drawn on a budget amendment.

17 (2) All warrants issued by a district must be ~~countersigned~~ signed by the ~~chairman~~ presiding officer  
18 of the trustees and the clerk of the district or a designee before the warrants are negotiable. Facsimile  
19 signatures may be used in accordance with the provisions of 2-16-114. A facsimile signature device used  
20 under authority of this section may not be available to the other countersigner of the warrant, or the device  
21 must have a nonresettable metering control that can provide a positive reconciliation between the number  
22 of warrants issued and the number of signatures applied. Either split signature plates or a double signature  
23 plate may be used according to the requirements of the district. The signature plates and the device keys  
24 must be kept secure by the district clerk or a designee under the supervision of the board of trustees of the  
25 district.

26 (3) The trustees shall issue warrants in single copy or in triplicate copy. When the warrants are  
27 issued in single copy, the trustees shall immediately provide a listing of the issued warrants on a  
28 fund-by-fund basis to the county treasurer and retain a copy of the listing in the district accounting records.  
29 When the warrants are issued in triplicate, the original copy of the warrant must be delivered to the payee,  
30 the duplicate must be sent immediately to the county treasurer, and the triplicate must be retained by the

1 district for accounting record purposes. The duplicate and triplicate copies must be identified on the face  
2 of the warrant as "Not Negotiable--Copy of Original".

3 (4) However, the trustees may elect to issue warrants in payment of wages and salaries on a direct  
4 deposit basis to the employee's account in a local bank, provided the consent of the employee has been  
5 obtained and the employee is given an itemized statement of payroll deductions for each pay period."

6  
7 **Section 19.** Section 20-9-433, MCA, is amended to read:

8 **"20-9-433. Form and printing of school district bonds.** (1) It is not necessary for the trustees to  
9 prescribe the detailed form of the bonds to be issued, but the bonds must conform to all legal requirements  
10 for their payment whether they are issued as amortization or serial bonds. The bonds and coupons ~~shall~~  
11 must be issued in the name of the school district and ~~shall~~ must be executed by the ~~chairman~~ presiding  
12 officer of the trustees and the school district clerk or a designee in accordance with 2-16-114. If the bonds  
13 are purchased by the board of investments, all payments of principal or interest ~~shall~~ must be made at the  
14 office of the state treasurer.

15 (2) The trustees shall cause the bonds, with the attached coupons, to be printed at the expense  
16 of the school district at the lowest commercial rates."

17  
18 **Section 20.** Section 20-9-434, MCA, is amended to read:

19 **"20-9-434. Registration of school district bonds by county treasurer and copy for preservation.**

20 (1) When the school district bonds have been duly executed by the ~~chairman~~ presiding officer of the  
21 trustees and the school district clerk or a designee, all ~~such~~ bonds ~~shall~~ must be registered by the county  
22 treasurer in ~~his~~ the treasurer's bond registration book before ~~such~~ the bonds are delivered to the purchaser.  
23 The bond registration ~~shall~~ must show:

- 24 (a) the number and amount of each bond;  
25 (b) the date of issue;  
26 (c) the redeemable date of each bond;  
27 (d) the name of the purchaser; and  
28 (e) the amount and due date of all payments required on the bonds.

29 (2) The trustees shall provide the county treasurer with an unsigned and canceled printed copy of  
30 each issue of school district bonds for preservation in the office of the county treasurer."

1           **Section 21.** Section 20-9-442, MCA, is amended to read:

2           **"20-9-442. Entries of payments and notification of school district.** The county treasurer shall make  
3 the necessary entries of all payments of interest and principal on ~~his~~ the bond registration record and shall  
4 promptly notify the clerk of the school district or a designee when ~~such~~ those payments are made. The  
5 county treasurer also shall deliver the canceled coupons and bonds to the county clerk at the end of each  
6 month. The county clerk shall file ~~such~~ the canceled coupons and bonds in ~~his~~ the clerk's office."

7

8           **Section 22.** Section 20-15-325, MCA, is amended to read:

9           **"20-15-325. Emergency budget limitation, preparation, and adoption procedures.** (1) The meeting  
10 of the trustees of a community college district to consider and adopt an emergency budget must be open  
11 to the public, and any taxpayer in the district has the right to appear and be heard. If at the meeting a  
12 majority of the trustees present find that an emergency exists, the trustees may make and adopt a  
13 preliminary emergency budget, on the regular budget form, setting forth fully the facts constituting the  
14 emergency. In adopting the preliminary emergency budget, the trustees may budget for any fund that was  
15 included on the final budget of the district for the current fiscal year. The budget must be itemized to show  
16 the amount appropriated for each item as required on the budget form.

17           (2) When the emergency is the result of increased enrollment, the maximum amount of the  
18 emergency budget for all funds must be determined by budget amendment.

19           (3) If another type of emergency occurs, the budget must be limited to the expenditures considered  
20 by the trustees to be reasonable and necessary to finance the conditions of the emergency and the  
21 preliminary emergency budget must include the details of the proposed expenditures.

22           (4) After a majority of the trustees have voted to adopt the emergency budget, it must be signed  
23 by the ~~chairman~~ presiding officer of the trustees and the clerk of the district or a designee and copies must  
24 be sent to the county superintendent, the county treasurer, and the board of regents."

25

26           **Section 23.** Section 20-20-401, MCA, is amended to read:

27           **"20-20-401. Trustees' election duties -- ballot certification.** (1) The trustees are the general  
28 supervisors of school elections unless the trustees request and the county election administrator agrees to  
29 conduct a school election under 20-20-417.

30           (2) Not less than 15 days before an election, the clerk of the district or a designee shall prepare

1 a certified list of the names of all candidates entitled to be on the ballot and the official wording for each  
 2 ballot issue. The clerk or a designee shall arrange for printing the ballots. Ballots for absentee voting must  
 3 be printed and available at least 11 days prior to the election. Names of candidates on school election  
 4 ballots need not be rotated.

5 (3) Before the opening of the polls, the trustees shall cause each polling place to be supplied with  
 6 the ballots and supplies necessary to conduct the election."

7

8 **Section 24.** Section 20-20-417, MCA, is amended to read:

9 **"20-20-417. Request for county election administrator to conduct election.** (1) By June 1 of each  
 10 year, the trustees of any district may request the county election administrator to conduct certain school  
 11 elections during the ensuing school fiscal year.

12 (2) Whenever the county election administrator agrees to conduct a school election, ~~he~~ the  
 13 administrator shall:

14 (a) perform the duties imposed on the trustees and the clerk of the district or a designee, for school  
 15 elections in 20-20-203, 20-20-313, and 20-20-401;

16 (b) conduct the election in accordance with the provisions of Title 13, chapters 13 and 15; and

17 (c) deliver to the trustees, for the purpose of canvassing the vote, the certified tally sheets and  
 18 other items as provided in 13-15-301.

19 (3) Whenever the trustees request the county election administrator to conduct a school election,  
 20 the school district shall pay the costs of the election as provided in 13-1-302."

21

22 **NEW SECTION. Section 25. Effective date.** [This act] is effective on passage and approval.

23

-END-

## 1 HOUSE BILL NO. 480

2 INTRODUCED BY ARNOTT, SIMPKINS, FISHER, CURTISS, MARTINEZ, ORR, DENNY, MCGEE, MILLS,  
 3 BOHARSKI, VICK, MARSHALL, REHBEIN, STOVALL, HERRON, GREEN, COBB, KEENAN, MURDOCK,  
 4 CLARK, GRIMES, GRINDE, M. HANSON, HAYNE, T. NELSON, MENAHAN, HARRINGTON

5  
 6 A BILL FOR AN ACT ENTITLED: "AN ACT TO IMPLEMENT ARTICLE X, SECTION 8, OF THE MONTANA  
 7 CONSTITUTION BY CLARIFYING THE BOARD OF PUBLIC EDUCATION'S AUTHORITY TO ADOPT  
 8 ACCREDITATION STANDARDS THAT REQUIRE A SCHOOL DISTRICT TO EMPLOY ADMINISTRATIVE  
 9 PERSONNEL; CLARIFYING THE LOCAL BOARD OF TRUSTEES' AUTHORITY TO ESTABLISH AN  
 10 APPROPRIATE MANAGEMENT STRUCTURE FOR ITS SCHOOLS; ELIMINATING REQUIREMENTS THAT A  
 11 SCHOOL DISTRICT HIRE CERTAIN DISTRICT ADMINISTRATORS; PROVIDING THAT THE BOARD OF  
 12 PUBLIC EDUCATION MAY NOT ADOPT RULES, POLICIES, OR STANDARDS RELATING TO  
 13 ACCREDITATION STANDARDS AND CERTAIN OTHER MATTERS UNLESS THE LEGISLATURE  
 14 SPECIFICALLY ACTS TO FUND THE RULES, POLICIES, OR STANDARDS; PROVIDING THAT A SCHOOL  
 15 DISTRICT MAY NOT HAVE STATE FUNDS WITHHELD BY THE SUPERINTENDENT OF PUBLIC  
 16 INSTRUCTION IF THE BOARD OR THE SUPERINTENDENT FAILS TO COMPLY WITH STATUTORY  
 17 REQUIREMENTS OR IF A BOARD RULE, POLICY, OR STANDARD HAVING SUBSTANTIAL FINANCIAL  
 18 IMPACT ON A SCHOOL DISTRICT IS NOT FUNDED BY THE LEGISLATURE; AMENDING SECTIONS  
 19 20-2-115, 20-3-305, 20-3-321, 20-3-325, 20-3-341, 20-3-344, 20-4-201, 20-4-401, 20-5-201, 20-5-202,  
 20 20-6-209, 20-7-101, 20-7-102, 20-7-112, 20-9-113, 20-9-115, 20-9-133, 20-9-165, 20-9-221, 20-9-433,  
 21 20-9-434, 20-9-442, 20-15-325, 20-20-401, AND 20-20-417, MCA; AND PROVIDING AN IMMEDIATE  
 22 EFFECTIVE DATE."

23  
 24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

25  
 26 **SECTION 1. SECTION 20-2-115, MCA, IS AMENDED TO READ:**

27 "20-2-115. Rules with substantial financial impact -- fiscal note -- effect without funding. (1) When  
 28 developing rules, policies, and standards under 20-2-121(6), (7), (9), and (11), the board of public  
 29 education shall, before adopting the rules, policies, and standards, determine the financial impact of the  
 30 rule, policy, or standard on school districts.



1           (2) The superintendent of public instruction shall prepare a fiscal note for submission to the board,  
2 using criteria and assumptions developed by the board. The fiscal note must be prepared within 30 days  
3 of a request unless the board agrees to a longer time. The board may also accept other testimony and  
4 exhibits on the financial impact to school districts ~~before proceeding to rulemaking.~~

5           (3) If the financial impact of the proposed rule, policy, or standard that the board wishes to adopt  
6 is found by the board to be substantial, the board ~~may not implement the rule until July 1 following the next~~  
7 ~~regular legislative session and shall request the next legislature to fund implementation of, through the~~  
8 BASE funding program, the proposed rule, policy, or standard through the BASE funding program that the  
9 board wishes to adopt. The board may not adopt a rule, policy, or standard required to be submitted to  
10 the legislature unless the legislature provides funding for it. A substantial financial impact is an amount that  
11 cannot be readily absorbed in the budget of an existing school district program.

12           ~~(4) A proposed rule, policy, or standard not found by the board to have a substantial financial~~  
13 ~~impact on school districts or funded by the legislature may be implemented at any time.~~

14           (4) A school district may not have state funding withheld by the superintendent of public  
15 instruction if the board of public education or the superintendent fails to comply with the provisions of this  
16 section or if a board rule, policy, or standard having substantial financial impact on a school district is not  
17 funded by the legislature."

18  
19           **Section 2.** Section 20-3-305, MCA, is amended to read:

20           **"20-3-305. Candidate qualification and nomination.** (1) Except as provided in 20-3-338, any  
21 person who is qualified to vote in a district under the provisions of 20-20-301 ~~shall~~ must be eligible for the  
22 office of trustee.

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

29  
30           **Section 3.** Section 20-3-321, MCA, is amended to read:

1           **"20-3-321. Organization and officers.** (1) The trustees of each district shall annually organize as  
 2 a governing board of the district after the regular election day and after the issuance of the election  
 3 certificates to the newly elected trustees, but not later than the third Saturday of April. In order to  
 4 organize, the trustees of the district ~~shall~~ must be given notice of the time and place where the organization  
 5 meeting will be held, and at ~~such~~ the meeting, they shall choose one of their number as the ~~chairman~~  
 6 presiding officer. In addition, except for the trustees of a high school district operating a county high  
 7 school, the trustees ~~shall~~ may employ and appoint a competent person, who is not a member of the  
 8 trustees, as the clerk of the district. The trustees of a high school district operating a county high school  
 9 ~~shall~~ may appoint a secretary, who ~~shall~~ must be a member of the board.

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

14  
 15           **Section 4.** Section 20-3-325, MCA, is amended to read:

16           **"20-3-325. Clerk of the district.** As provided in 20-3-321, the trustees ~~shall~~ may employ and  
 17 appoint a clerk of the district. ~~The~~ If employed or appointed, the clerk of the district shall attend all  
 18 meetings of the trustees to keep an accurate and permanent record of all the proceedings of each meeting.  
 19 If the clerk is not present at a meeting, the trustees shall ~~have~~ assign one of their members or a district  
 20 employee to act as clerk for the meeting and ~~such~~ that person shall supply the clerk with a certified copy  
 21 of the proceedings. The clerk of the district ~~also shall be~~ or a designee is the custodian of all documents,  
 22 records, and reports of the trustees. Unless the trustees provide otherwise, the clerk or a designee shall:

23           (1) keep an accurate and detailed accounting record of all receipts and expenditures of the district  
 24 in accordance with the financial administration provisions of this title; and

25           (2) prepare the annual trustees' report required under the provisions of 20-9-213."

26  
 27           **Section 5.** Section 20-3-341, MCA, is amended to read:

28           **"20-3-341. Number of trustee positions in elementary districts -- transition.** The number of trustee  
 29 positions in each elementary district ~~shall vary~~ varies according to the district's classification, as established  
 30 by 20-6-201:

1 (1) There ~~must be~~ are seven trustee positions in a first-class elementary district.

2 (2) There ~~must be~~ are five trustee positions in a second-class elementary district; ~~however,~~  
 3 However, upon a majority vote of the board of trustees, the number may be increased to seven trustee  
 4 positions at the next trustee election, provided that notice of the action of the board of trustees is published  
 5 by the clerk of the district or a designee in a newspaper of general circulation in the county prior to January  
 6 1 of the year of the trustee election. The board of trustees may reduce the number of trustee positions  
 7 from seven to five upon receiving a petition for that purpose from at least 10 qualified electors of the  
 8 district.

9 (3) There ~~must be~~ are three trustee positions in a third-class elementary district; ~~however,~~  
 10 However, upon a majority vote of the board of trustees, the number may be increased to five trustee  
 11 positions at the next trustee election, provided that notice of the action of the board of trustees is published  
 12 by the clerk of the district or a designee in a newspaper of general circulation in the county prior to January  
 13 1 of the year of the trustee election. The board of trustees may reduce the number of trustee positions  
 14 from five to three upon receiving a petition for that purpose from at least 10 qualified electors of the  
 15 district.

16 (4) (a) If the number of trustee positions in a second-class elementary district is decreased from  
 17 seven to five in accordance with the provisions of subsection (2), one position is eliminated at the time of  
 18 the first subsequent school election and one position is eliminated at the next school election.

19 (b) If the number of trustee positions in a third-class elementary district is decreased from five to  
 20 three in accordance with the provisions of subsection (3), one position is eliminated at the time of the first  
 21 subsequent school election when two trustee positions would have been filled and one position is  
 22 eliminated at the next school election when two trustee positions would have been filled."  
 23

24 **Section 6.** Section 20-3-344, MCA, is amended to read:

25 **"20-3-344. Nomination of candidates by petition in first-class elementary district.** Except as  
 26 provided in 20-3-338, any 20 electors, qualified under the provisions of 20-20-301, of any first-class  
 27 elementary district may nominate by petition as many trustee candidates as there are trustee positions  
 28 subject to election at the ensuing election. The name of each person nominated for candidacy ~~shall~~ must  
 29 be submitted to the clerk of the district or a designee not less than 40 days before the regular school  
 30 election day at which ~~he~~ the person is to be a candidate. If there are different terms to be filled, the term

1 for which each candidate is nominated ~~shall~~ must also be indicated. The election ~~shall~~ must be conducted  
2 with the ballot as specified in 20-3-306."

3

4 **Section 7.** Section 20-4-201, MCA, is amended to read:

5 **"20-4-201. Employment of teachers and specialists by contract.** (1) The trustees of any district  
6 ~~shall have the authority to~~ may employ any person as a teacher or specialist, but the trustees may only  
7 employ a person who holds a valid Montana teacher or specialist certificate or for whom an emergency  
8 authorization of employment has been issued that qualifies ~~such~~ the person to perform the duties prescribed  
9 by the trustees for the position of employment. Each teacher or specialist ~~shall~~ must be employed under  
10 written contract, and each contract of employment ~~shall~~ must be authorized by a proper resolution of the  
11 trustees and ~~shall~~ must be executed in duplicate by the ~~chairman~~ presiding officer of the trustees and by  
12 the clerk of the district or a designee, in the name of the district, and by the teacher or specialist.

13 (2) ~~No~~ A contract of employment with a teacher or specialist ~~shall~~ may not require ~~such~~ the teacher  
14 or specialist to teach more than 5 days a week or on any holiday recognized by 20-1-305. ~~No~~ A deduction  
15 ~~shall~~ may not be made from a teacher's or specialist's salary by reason of the fact that a holiday falls on  
16 a school day. ~~Any~~ A teacher's or specialist's contract made in conflict with the 5-days-per-week provision  
17 of this section ~~shall~~ is not be enforceable against the teacher or specialist.

18 (3) Whenever the board of trustees of two or more school districts form a joint board of trustees  
19 under the provisions of 20-3-361, ~~such~~ that joint board of trustees may execute a contract of employment  
20 with a teacher or specialist who shall serve the districts. When ~~such~~ a contract is executed, the districts  
21 shall prorate the compensation provided by ~~such~~ the contract on the basis of the total number of  
22 instructional hours expended by ~~such~~ that teacher or specialist within each district.

23 (4) ~~Any~~ A contract executed under the provisions of this section may contain the oath or  
24 affirmation prescribed in 20-4-104, and the teacher or specialist shall subscribe to ~~such~~ that oath or  
25 affirmation before an officer authorized by law to administer oaths."

26

27 **Section 8.** Section 20-4-401, MCA, is amended to read:

28 **"20-4-401. Appointment and dismissal of district superintendent or county high school principal.**  
29 (1) ~~The~~ If the trustees of any high school district, except a county high school, and the trustees of the  
30 elementary district where its high school building is located choose to employ or appoint a district

1 superintendent, the districts shall jointly employ and appoint a district superintendent. The trustees of a  
 2 county high school ~~shall~~ may employ and appoint a district superintendent, except that they may employ  
 3 and appoint a holder of a class 3 teacher certificate with a district superintendent endorsement as the  
 4 county high school principal in lieu of a district superintendent. The trustees of any other district may  
 5 employ and appoint a district superintendent.

6 (2) Whenever a joint board of trustees has been formed by a county high school and the  
 7 elementary district where the county high school is located, ~~such~~ the joint board shall jointly employ and  
 8 appoint a district superintendent. During the term of contract of the jointly appointed district  
 9 superintendent, neither district ~~shall~~ may separately employ and appoint a district superintendent or county  
 10 high school principal.

11 (3) School districts other than those provided in subsection (2) that form a joint board of trustees  
 12 may jointly employ and appoint a district superintendent as allowed in 20-3-362.

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

25 (5) Whenever a joint board of trustees employs a person as the district superintendent under  
 26 subsection (2) or (3), the districts shall prorate the compensation provided by the contract of employment  
 27 on the basis of the number of teachers employed by each district.

28 (6) At any time the class 3 teacher certification or the endorsement of the certificate of a district  
 29 superintendent or a county high school principal that qualifies ~~such~~ that person to hold ~~such~~ the position  
 30 becomes invalid, the trustees of the district or the joint board of trustees shall discharge ~~such~~ the person

1 as the district superintendent or county high school principal regardless of the unexpired term of ~~his~~ the  
 2 contract. The trustees ~~shall~~ may not compensate ~~him~~ the person under the terms of ~~his~~ the contract for  
 3 any services rendered subsequent to the date of the invalidation of ~~his~~ the person's teacher certificate.

4 (7) ~~No~~ A district superintendent or county high school principal ~~shall~~ may not engage in any work  
 5 or activity which the trustees ~~may deem~~ consider to be in conflict with ~~his~~ duties and employment as the  
 6 district superintendent or county high school principal."  
 7

8 **Section 9.** Section 20-5-201, MCA, is amended to read:

9 **"20-5-201. Duties and sanctions.** (1) A pupil shall:

10 (a) comply with the policies of the trustees and the rules of the school that the pupil attends;

11 (b) pursue the required course of instruction;

12 (c) submit to the authority of the teachers, principal, and district superintendent of the district; and

13 (d) be subject to the control and authority of the teachers, principal, and district superintendent

14 while the pupil is in school or on school premises, on the way to and from school, or during intermission  
 15 or recess.

16 (2) A pupil who continually and willfully disobeys the provisions of this section, shows open  
 17 defiance of the authority vested in school personnel by this section, defaces or damages any school  
 18 building, school grounds, furniture, equipment, book belonging to the district, or harms or threatens to harm  
 19 another person or the person's property is liable for punishment, suspension, or expulsion under the  
 20 provisions of this title. When a pupil defaces or damages school property the pupil's parent or guardian is  
 21 liable for the cost of repair or replacement upon the complaint of the teacher, the principal, the  
 22 superintendent, a designee of the principal or superintendent, or any trustee and the proof of any damage.

23 (3) In addition to the sanctions prescribed in this section, the trustees of a high school district may  
 24 deny a high school pupil the honor of participating in the graduation exercise or exclude a high school pupil  
 25 from participating in school activities. The trustees may not take action under this subsection until the  
 26 incident or infraction causing the consideration has been investigated and the trustees have determined that  
 27 the high school pupil was involved in the incident or infraction.

28 (4) (a) A school district may withhold the grades, diploma, or transcripts of a pupil who is  
 29 responsible for the cost of school materials or the loss or damage of school property until the pupil or the  
 30 pupil's parent or guardian satisfies the obligation.

1 (b) A school district that decides to withhold a pupil's grades, diploma, or transcripts from the pupil  
2 and the pupil's parent or guardian pursuant to subsection (4)(a) shall:

3 (i) upon receiving notice that the pupil has transferred to another school district in the state, notify  
4 the pupil's parent or guardian in writing that the school district to which the pupil has transferred will be  
5 requested to withhold the pupil's grades, diploma, or transcripts until any obligation has been satisfied;

6 (ii) forward appropriate grades or transcripts to the school to which the pupil has transferred;

7 (iii) at the same time, notify the school district of any financial obligation of the pupil and request  
8 the withholding of the pupil's grades, diploma, or transcripts until any obligations are met;

9 (iv) when the pupil or the pupil's parent or guardian satisfies the obligation, inform the school  
10 district to which the pupil has transferred; and

11 (v) adopt a policy regarding a process for a pupil or the pupil's parent or guardian to appeal the  
12 school district's decision to request that another school district withhold a pupil's grades, diploma, or  
13 transcripts.

14 (c) Upon receiving notice that a school district has requested the withholding of the grades,  
15 diploma, or transcripts of a pupil under this subsection (4), a school district to which the pupil has  
16 transferred shall withhold the grades, diploma, or transcripts of the pupil until it receives notice, from the  
17 district that initiated the decision, that the decision has been rescinded under the terms of subsection  
18 (4)(a)."

19  
20 **Section 10.** Section 20-5-202, MCA, is amended to read:

21 "**20-5-202. Suspension and expulsion.** As provided in 20-4-302, 20-4-402, and 20-4-403, any  
22 pupil may be suspended by a teacher, superintendent, or principal. The trustees of the district shall adopt  
23 a policy defining the authority and procedure to be used by a teacher, superintendent, ~~or principal, or~~  
24 designee of a superintendent or principal in suspending a pupil and to define the circumstances and  
25 procedures by which the trustees may expel a pupil. Expulsion ~~shall be~~ is a disciplinary action available  
26 only to the trustees."

27  
28 **Section 11.** Section 20-6-209, MCA, is amended to read:

29 "**20-6-209. Elementary district abandonment.** (1) The county superintendent shall declare an  
30 elementary district to be abandoned and order the attachment of the territory of ~~such~~ that district to a

1 contiguous district of the county when:

2 (a) a school has not been operated by a district for at least 180 days under the provisions of  
3 20-1-301 for each of 3 consecutive school fiscal years or a lesser number of days as approved by the  
4 county superintendent or the superintendent of public instruction under the provisions of 20-9-804; or

5 (b) there is an insufficient number of residents who are qualified electors of the district that can  
6 and will serve as the trustees and clerk of the district or a designee, so that a legal board of trustees can  
7 be organized.

8 (2) The county superintendent shall notify the elementary district that has not operated a school  
9 for 2 consecutive years before the first day of the third year that the failure to operate a school for 180  
10 days or a lesser number of days than approved by the county superintendent or the superintendent of  
11 public instruction as provided under the provisions of 20-9-804 during the ensuing school fiscal year shall  
12 constitute grounds for abandonment of ~~such the~~ district at the conclusion of the succeeding school fiscal  
13 year. Failure by the county superintendent to provide ~~such that~~ notification ~~shall~~ does not constitute a  
14 waiver of the abandonment requirement prescribed in subsection (1)(a) ~~above~~.

15 (3) ~~Any An~~ abandonment under subsection (1)(a) ~~shall become~~ is effective on July 1. Any  
16 abandonment of an elementary district under subsection (1)(b) ~~shall become~~ is effective ~~immediately~~  
17 date of the abandonment order."  
18

19 **Section 12.** Section 20-7-101, MCA, is amended to read:

20 "20-7-101. **Standards of accreditation -- exception.** (1) ~~Standards~~ Except as provided in  
21 subsection (3), standards of accreditation for all schools ~~shall~~ must be adopted by the board of public  
22 education upon the recommendations of the superintendent of public instruction.

23 (2) Standards for the retention of school records must be as provided in 20-1-212.

24 (3) The board of public education may not adopt accreditation standards that require a district to  
25 employ administrative personnel, including but not limited to a superintendent, clerk, building administrator,  
26 curriculum coordinator, or principal."  
27

28 **Section 13.** Section 20-7-102, MCA, is amended to read:

29 "20-7-102. **Accreditation of schools.** (1) ~~Every~~ Each school year the conditions under which each  
30 elementary school, middle school, junior high school, and high school operates ~~shall~~ must be reviewed by



1 the superintendent of public instruction to determine each school's compliance with the standards of  
 2 accreditation. The accreditation status of ~~every~~ each school ~~shall~~ must then be established by the board  
 3 of public education upon the recommendation of the superintendent of public instruction, and notification  
 4 of ~~such~~ the status for the applicable school year ~~shall~~ must be given to each district. The board of public  
 5 education may not adopt accreditation standards that require a district to employ administrative personnel,  
 6 including but not limited to a superintendent, clerk, or principal.

7 (2) A nonpublic school may, through its governing body, request that the board of public education  
 8 accredit the school. Nonpublic schools may be accredited in the same manner as provided in subsection  
 9 (1)."

10  
 11 **Section 14.** Section 20-7-112, MCA, is amended to read:

12 **"20-7-112. Sectarian publications prohibited and prayer permitted.** A publication of a sectarian  
 13 or denominational character may not be distributed in any school. Instruction may not be given advocating  
 14 sectarian or denominational doctrines. However, any teacher, principal, ~~or~~ superintendent, or designee of  
 15 a principal or superintendent may open the school day with a prayer. This section does not prohibit a  
 16 school library from including the Bible or other religious material having cultural, historical, or educational  
 17 significance."

18  
 19 **Section 15.** Section 20-9-113, MCA, is amended to read:

20 **"20-9-113. Preparation and adoption of preliminary budget by trustees.** (1) The trustees of a  
 21 district shall meet at their regular place of meeting at any time from February 1 through the fourth Monday  
 22 in June, at the discretion of the board, to adopt a preliminary budget for the next ensuing school fiscal year.  
 23 This budget meeting may be continued from day to day but may not exceed 5 days in total. Any taxpayer  
 24 in the district may attend the meeting and be heard in regard to the preliminary budget or any item or  
 25 amount proposed to be included in the budget. The preliminary budget must include all funds that require  
 26 the adoption of a budget and that the trustees wish to utilize during the ensuing year.

27 (2) The proposed expenditures adopted as the preliminary budget must be entered on the  
 28 appropriate portion of the budget form. The amount of the preliminary general fund budget for a district  
 29 may not exceed the maximum general fund budget for the district except in the manner permitted by the  
 30 laws of Montana. If any appropriation item of the preliminary budget provides for the payment of wages

1 or salaries to more than one person, the district shall attach to the preliminary budget a separate listing of  
2 each position of employment with the budgeted amount of compensation for each position.

3 (3) After the adoption of the preliminary budget by the trustees, the presiding officer of the trustees  
4 and the clerk of the district or a designee shall sign the budget form, and it shall constitute the preliminary  
5 budget for the district. The trustees shall send both copies of the adopted preliminary budget, with all  
6 appendages and any other information required by law, to the county superintendent on or before the fifth  
7 day after the fourth Monday of June.

8 (4) At least 2 weeks before the first meeting day on adoption of a preliminary budget for the  
9 ensuing school fiscal year, as required by this section, the trustees of a district shall publish a notice of the  
10 meeting at least one time in a newspaper of general circulation in the district. The notice must state that  
11 any taxpayer in the district may attend the meeting and be heard on the preliminary budget."  
12

13 **Section 16.** Section 20-9-115, MCA, is amended to read:

14 "20-9-115. **Notice of preliminary budget filing and final budget meeting.** Between July 10 and July  
15 20 of each year, the clerk of each district or a designee shall publish notice one time, in the local or county  
16 newspaper that the trustees of the district determine to be the newspaper with the widest circulation in  
17 the district, stating that the preliminary budget for the district for the school fiscal year just beginning, as  
18 prepared and adopted by the trustees, is on file in ~~his~~ the school district's office and open to inspection by  
19 all taxpayers. The notice must also state the time and place that the trustees will meet on the fourth  
20 Monday in July for the purpose of considering and adopting the final budget of the district, that the meeting  
21 of the trustees may be continued from day to day until the final adoption of the district's budget, and that  
22 any taxpayer in the district may appear at the meeting and be heard for or against any part of the budget."  
23

24 **Section 17.** Section 20-9-133, MCA, is amended to read:

25 "20-9-133. **Adoption and expenditure limitations of final budget.** (1) When the trustees determine  
26 and set the amount of the budget for each budgeted fund, they shall enter the amount in the portion of the  
27 budget form provided for the reporting of the final budget and the ~~chairman~~ presiding officer and the clerk  
28 or a designee shall sign the budget form. The resulting budget constitutes the final budget and the  
29 appropriations for the district for the current school fiscal year.

30 (2) Except as provided in subsection (3), the trustees and all officers and employees of the district

1 are limited in making expenditures or incurring liabilities to the total amount of each fund's budget.  
2 Transfers from any appropriation item to another appropriation item within a fund's budget may be made  
3 as provided by 20-9-208. Except as provided in subsection (3), money of the district may not be used to  
4 pay expenditures made, liabilities incurred, or warrants issued in excess of the final budget established for  
5 each budgeted fund.

6 (3) If a district incurs a legal bonded debt payment after the final debt service fund budget for the  
7 current fiscal year has been adopted and if payment on the debt is required for the current fiscal year,  
8 payment on the debt in the current school fiscal year is allowed if money is available."  
9

10 **Section 18.** Section 20-9-165, MCA, is amended to read:

11 **"20-9-165. Budget amendment limitation, preparation, and adoption procedures.** (1) The meeting  
12 of the trustees to consider and adopt a budget amendment must be open to the public, and any taxpayer  
13 in the district has the right to appear and be heard. If at the meeting a majority of the trustees present find  
14 that there is sufficient need for a budget amendment, the trustees may make and adopt a preliminary  
15 budget amendment, setting forth fully the facts constituting the need for the budget amendment. In  
16 adopting the preliminary budget amendment, the trustees may budget for any fund that was included on  
17 the final budget of the district for the current school fiscal year. The budget must be itemized to show the  
18 amount appropriated for each item.

19 (2) When the budget amendment is the result of increased enrollment, the maximum amount of  
20 the budget amendment for all funds must be determined in the following manner:

21 (a) Determine the total amount in the final budget for the current school fiscal year of all funds  
22 affected by the enrollment increase, less any amounts appropriated as capital outlay and any amount  
23 appropriated for addition to the operating reserve.

24 (b) Divide the amount determined in subsection (2)(a) by the number of pupils originally enrolled  
25 in the district during the immediately preceding school fiscal year. The resulting cost per pupil is the  
26 maximum permissible per-pupil expenditure in the budget amendment.

27 (c) Determine the enrollment increase of the current school fiscal year by subtracting the number  
28 of pupils originally enrolled during the immediately preceding school fiscal year from the number of pupils  
29 enrolled for the current school year. The result is the enrollment increase for the current school fiscal year.

30 (d) Multiply the cost per pupil determined in subsection (2)(b) by the enrollment increase

1 determined in subsection (2)(c). The result is the maximum limitation on a budget amendment for  
2 amendments resulting from increased enrollment.

3 (3) For other types of budget amendments, the budget amendment is limited to the expenditures  
4 considered by the trustees to be reasonable and necessary to finance the conditions of the budget  
5 amendment and the preliminary budget amendment must include the details of the proposed expenditures.

6 (4) Whenever the trustees adopt a preliminary budget amendment for the transportation fund, the  
7 trustees shall attach to the budget amendment a copy of each transportation contract that is connected  
8 with the budget amendment and that has been prepared and executed in accordance with the school  
9 transportation contract laws.

10 (5) After the trustees have adopted the budget amendment by a majority vote of the trustees, it  
11 must be signed by the ~~chairman~~ presiding officer of the trustees and the clerk of the district or a designee  
12 and copies must be sent to the county superintendent, the county treasurer, and the superintendent of  
13 public instruction."

14

15 **Section 19.** Section 20-9-221, MCA, is amended to read:

16 **"20-9-221. Procedure for issuance of warrants.** (1) The trustees of each district shall issue all  
17 warrants, and the warrants must identify:

18 (a) the budgeted fund or nonbudgeted fund on which the warrant is drawn; and

19 (b) the warrant as a budget amendment warrant if it is drawn on a budget amendment.

20 (2) All warrants issued by a district must be ~~countersigned~~ signed by the ~~chairman~~ presiding officer  
21 of the trustees and the clerk of the district or a designee before the warrants are negotiable. Facsimile  
22 signatures may be used in accordance with the provisions of 2-16-114. A facsimile signature device used  
23 under authority of this section may not be available to the other countersigner of the warrant, or the device  
24 must have a nonresettable metering control that can provide a positive reconciliation between the number  
25 of warrants issued and the number of signatures applied. Either split signature plates or a double signature  
26 plate may be used according to the requirements of the district. The signature plates and the device keys  
27 must be kept secure by the district clerk or a designee under the supervision of the board of trustees of the  
28 district.

29 (3) The trustees shall issue warrants in single copy or in triplicate copy. When the warrants are  
30 issued in single copy, the trustees shall immediately provide a listing of the issued warrants on a

1 fund-by-fund basis to the county treasurer and retain a copy of the listing in the district accounting records.  
 2 When the warrants are issued in triplicate, the original copy of the warrant must be delivered to the payee,  
 3 the duplicate must be sent immediately to the county treasurer, and the triplicate must be retained by the  
 4 district for accounting record purposes. The duplicate and triplicate copies must be identified on the face  
 5 of the warrant as "Not Negotiable--Copy of Original".

6 (4) However, the trustees may elect to issue warrants in payment of wages and salaries on a direct  
 7 deposit basis to the employee's account in a local bank, provided the consent of the employee has been  
 8 obtained and the employee is given an itemized statement of payroll deductions for each pay period."  
 9

10 **Section 20.** Section 20-9-433, MCA, is amended to read:

11 **"20-9-433. Form and printing of school district bonds.** (1) It is not necessary for the trustees to  
 12 prescribe the detailed form of the bonds to be issued, but the bonds must conform to all legal requirements  
 13 for their payment whether they are issued as amortization or serial bonds. The bonds and coupons ~~shall~~  
 14 must be issued in the name of the school district and ~~shall~~ must be executed by the ~~chairman~~ presiding  
 15 officer of the trustees and the school district clerk or a designee in accordance with 2-16-114. If the bonds  
 16 are purchased by the board of investments, all payments of principal or interest ~~shall~~ must be made at the  
 17 office of the state treasurer.

18 (2) The trustees shall cause the bonds, with the attached coupons, to be printed at the expense  
 19 of the school district at the lowest commercial rates."  
 20

21 **Section 21.** Section 20-9-434, MCA, is amended to read:

22 **"20-9-434. Registration of school district bonds by county treasurer and copy for preservation.**

23 (1) When the school district bonds have been duly executed by the ~~chairman~~ presiding officer of the  
 24 trustees and the school district clerk or a designee, all ~~such~~ bonds ~~shall~~ must be registered by the county  
 25 treasurer in ~~his~~ the treasurer's bond registration book before ~~such~~ the bonds are delivered to the purchaser.  
 26 The bond registration ~~shall~~ must show:

- 27 (a) the number and amount of each bond;
- 28 (b) the date of issue;
- 29 (c) the redeemable date of each bond;
- 30 (d) the name of the purchaser; and

1 (e) the amount and due date of all payments required on the bonds.

2 (2) The trustees shall provide the county treasurer with an unsigned and canceled printed copy of  
3 each issue of school district bonds for preservation in the office of the county treasurer."

4  
5 **Section 22.** Section 20-9-442, MCA, is amended to read:

6 "**20-9-442. Entries of payments and notification of school district.** The county treasurer shall make  
7 the necessary entries of all payments of interest and principal on ~~his~~ the bond registration record and shall  
8 promptly notify the clerk of the school district or a designee when ~~such~~ those payments are made. The  
9 county treasurer also shall deliver the canceled coupons and bonds to the county clerk at the end of each  
10 month. The county clerk shall file ~~such~~ the canceled coupons and bonds in ~~his~~ the clerk's office."

11  
12 **Section 23.** Section 20-15-325, MCA, is amended to read:

13 "**20-15-325. Emergency budget limitation, preparation, and adoption procedures.** (1) The meeting  
14 of the trustees of a community college district to consider and adopt an emergency budget must be open  
15 to the public, and any taxpayer in the district has the right to appear and be heard. If at the meeting a  
16 majority of the trustees present find that an emergency exists, the trustees may make and adopt a  
17 preliminary emergency budget, on the regular budget form, setting forth fully the facts constituting the  
18 emergency. In adopting the preliminary emergency budget, the trustees may budget for any fund that was  
19 included on the final budget of the district for the current fiscal year. The budget must be itemized to show  
20 the amount appropriated for each item as required on the budget form.

21 (2) When the emergency is the result of increased enrollment, the maximum amount of the  
22 emergency budget for all funds must be determined by budget amendment.

23 (3) If another type of emergency occurs, the budget must be limited to the expenditures considered  
24 by the trustees to be reasonable and necessary to finance the conditions of the emergency and the  
25 preliminary emergency budget must include the details of the proposed expenditures.

26 (4) After a majority of the trustees have voted to adopt the emergency budget, it must be signed  
27 by the ~~chairman~~ presiding officer of the trustees and the clerk of the district or a designee and copies must  
28 be sent to the county superintendent, the county treasurer, and the board of regents."

29  
30 **Section 24.** Section 20-20-401, MCA, is amended to read:

