

1 HOUSE BILL NO. 47
2 INTRODUCED BY ELLIS
3 BY REQUEST OF THE GOVERNOR
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING BY 3.5 PERCENT THE BASIC ENTITLEMENT AND
6 THE PER-ANB ENTITLEMENT FOR PUBLIC SCHOOLS; AMENDING SECTION 20-9-306, MCA; AND
7 PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE."
8

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

11 **Section 1.** Section 20-9-306, MCA, is amended to read:

12 **"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the
13 following definitions apply:

14 (1) "BASE" means base amount for school equity.

15 (2) "BASE aid" means:

16 (a) direct state aid for 40% of the basic entitlement and 40% of the total per-ANB entitlement for
17 the general fund budget of a district; and

18 (b) guaranteed tax base aid for an eligible district for any amount up to 40% of the basic
19 entitlement, up to 40% of the total per-ANB entitlement budgeted in the general fund budget of a district,
20 and up to 40% of the special education allowable cost payment.

21 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of
22 the basic entitlement, 80% of the total per-ANB entitlement, and up to 140% of the special education
23 allowable cost payment.

24 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which
25 may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366
26 through 20-9-369.

27 (5) "BASE funding program" means the state program for the equitable distribution of the state's
28 share of the cost of Montana's basic system of public elementary schools and high schools, through county
29 equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343,
30 in support of the BASE budgets of districts and special education allowable cost payments as provided in

1 20-9-321.

2 (6) "Basic entitlement" means:

3 (a) ~~\$191,000~~ \$197,690 for each high school district;

4 (b) ~~\$17,190~~ \$17,790 for each elementary school district or K-12 district elementary program
5 without an approved and accredited junior high school or middle school; and

6 (c) the prorated entitlement for each elementary school district or K-12 district elementary program
7 with an approved and accredited junior high school or middle school, calculated as follows:

8 (i) ~~\$17,190~~ \$17,790 times the ratio of the ANB for kindergarten through grade 6 to the total ANB
9 of kindergarten through grade 8; plus

10 (ii) ~~\$191,000~~ \$197,690 times the ratio of the ANB for grades 7 and 8 to the total ANB of
11 kindergarten through grade 8.

12 (7) "Direct state aid" means 40% of the basic entitlement and 40% of the total per-ANB
13 entitlement for the general fund budget of a district and funded with state and county equalization aid.

14 (8) "Maximum general fund budget" means a district's general fund budget amount calculated from
15 the basic entitlement for the district, the total per-ANB entitlement for the district, and up to 153% of
16 special education allowable cost payments.

17 (9) "Over-BASE budget levy" means the district levy in support of any general fund amount
18 budgeted that is above the BASE budget and below the maximum general fund budget for a district.

19 (10) "Total per-ANB entitlement" means the district entitlement resulting from the following
20 calculations:

21 (a) for a high school district or a K-12 district high school program, a maximum rate of ~~\$4,680~~
22 \$4,843 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district
23 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the
24 800th ANB;

25 (b) for an elementary school district or a K-12 district elementary program without an approved and
26 accredited junior high school or middle school, a maximum rate of ~~\$3,343~~ \$3,459 for the first ANB is
27 decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB,
28 with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

29 (c) for an elementary school district or a K-12 district elementary program with an approved and
30 accredited junior high school or middle school, the sum of:

1 (i) a maximum rate of ~~\$3,343~~ \$3,459 for the first ANB for kindergarten through grade 6 is
2 decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB
3 in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

4 (ii) a maximum rate of ~~\$4,680~~ \$4,843 for the first ANB for grades 7 and 8 is decreased at the rate
5 of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in
6 excess of 800 receiving the same amount of entitlement as the 800th ANB."

7
8 **NEW SECTION. Section 2. Effective date -- applicability.** [This act] is effective July 1, 1998, and
9 applies to school budgets for school fiscal years beginning on or after July 1, 1998.

10 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0047, as introduced

DESCRIPTION OF PROPOSED LEGISLATION: An act increasing by 3.5 percent the basic entitlement and the per-anb entitlement for public schools.

ASSUMPTIONS:

1. The average number belonging for FY97 is 164,734 and is projected to be 166,564 for FY98 and 167,424 for FY99.
2. The basic and per ANB entitlements will be:

	<u>1997current</u>	<u>1998 proposed</u>	<u>1999 proposed</u>
Elementary Basic Entitlement	\$ 17,190	\$ 17,190	\$ 17,790
Elementary Per ANB Entitlement	3,343	3,343	3,459
High School Basic Entitlement	191,000	191,000	197,690
High School Per ANB Entitlement	4,680	4,680	4,843
3. Montana law requires that each school districts adopt a general fund budget that is at least equal to its BASE budget (as defined by the school funding formula) for fiscal years 1998 and 1999. This will require districts whose budgets are at or within 3.5% of their BASE budget in fiscal 1998 to increase their budget to the new BASE.
4. Statewide school district taxable values will be \$2.257 billion in fiscal year 1998 and \$2.289 billion in fiscal year 1999. Present law estimates assume that reappraisal goes into effect in tax year 1997 for fiscal 1998 and beyond. The estimates for guaranteed tax base aid are lower than FY97 GTB aid amounts as a result of reappraisal.
5. School district non levy revenues will increase from \$37.84 million in fiscal 1997 to \$42.62 million in fiscal 1998 and \$43.46 million in fiscal 1999.
6. School district fund balance reappropriated will be \$10.97 million each year.
7. Present Law estimates:

	<u>FY98</u>	<u>FY99</u>
Direct State Aid	\$275,999,000	\$278,075,000
General Fund GTB	<u>109,566,000</u>	<u>117,055,000</u>
Total	385,565,000	\$395,130,000
8. HB47 will have no effect on school district general fund budgets in FY98.

FISCAL IMPACT: State expenditures will increase by \$14,658,000 in FY99 (\$10.038 million for direct state aid and \$4.620 million for general fund GTB).

<u>Expenditures:</u>	<u>FY98</u>	<u>FY99</u>
	<u>Difference</u>	<u>Difference</u>
Direct State Aid	0	10,038,000
General Fund GTB	<u>0</u>	<u>4,620,000</u>
Total	0	14,658,000

<u>Funding:</u>	<u>FY98</u>	<u>FY99</u>
General Fund(01)	0	14,658,000

Dave Lewis 1-13-97
 DAVE LEWIS, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

Alvin Ellis 1-16-97
 ALVIN ELLIS, PRIMARY SPONSOR DATE

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES: School districts whose budgets are at or within 3.5% of their BASE budget in fiscal 1998 are required to increase their budget to their new BASE in fiscal 1999. For these districts increases in district property taxes will be required. In fiscal 1997 34% of districts with 25% of the state total ANB had budgets at or below 3.5% over their BASE budget.

School districts whose fiscal 1998 budgets are in excess of their BASE budget are not required to increase their budget but may do so only with voter approval. These districts must have voter approval in order to increase their budget above the lesser of the prior year budget or the prior year budget per ANB. If voters do not approve an increase district property taxes will be reduced by the increased state aid. If the voters approve budget increases less than or equal to the amount of new state aid, in general a 2.5% increase in their budget, district property taxes will not increase. If the voters approve increases greater than the amount of new state aid district property taxes will increase.

School districts whose budgets were frozen in fiscal 1998 because they exceed the statutory maximum budget will not have their budgets frozen in 1999 if their 1998 budget was less than 3.5% over the maximum. Those whose budgets are over 3.5% over the maximum in 1998 will continue to have their budgets frozen in fiscal year 1999. In fiscal 1997 16% of districts with 14% of total state ANB had budgets at or 3.5% over the statutory maximum budget while 7% of districts with 2% of total state ANB had budgets that exceeded the maximum by more than 3.5%.

Increased or decreased enrollments will increase or decrease district budget requirements as discussed above.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION: School district expenditures will increase and in some cases property taxpayers will experience property tax relief.

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22 and up to 40% of the special education allowable cost payment.23 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of
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27 may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366
28 through 20-9-369.29 (5) "BASE funding program" means the state program for the equitable distribution of the state's
30 share of the cost of Montana's basic system of public elementary schools and high schools, through county

1 equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343,
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 15 entitlement for the general fund budget of a district and funded with state and county equalization aid.

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 17 the basic entitlement for the district, the total per-ANB entitlement for the district, and up to 153% of
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 22 calculations:

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 24 ~~\$4,843~~ \$4,726 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of
 25 the district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement
 26 as the 800th ANB;

27 (b) for an elementary school district or a K-12 district elementary program without an approved and
 28 accredited junior high school or middle school, a maximum rate of ~~\$3,343~~ ~~\$3,459~~ \$3,376 for the first ANB
 29 is decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB,
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7 the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each
8 ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB."

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10 **SECTION 2. SECTION 20-9-306, MCA, IS AMENDED TO READ:**

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12 following definitions apply:

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18 entitlement, up to 40% of the total per-ANB entitlement budgeted in the general fund budget of a district,
19 and up to 40% of the special education allowable cost payment.

20 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of
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27 share of the cost of Montana's basic system of public elementary schools and high schools, through county
28 equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343,
29 in support of the BASE budgets of districts and special education allowable cost payments as provided in
30 20-9-321.

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12 entitlement for the general fund budget of a district and funded with state and county equalization aid.
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14 the basic entitlement for the district, the total per-ANB entitlement for the district, and up to 153% of
15 special education allowable cost payments.
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17 budgeted that is above the BASE budget and below the maximum general fund budget for a district.
- 18 (10) "Total per-ANB entitlement" means the district entitlement resulting from the following
19 calculations:
- 20 (a) for a high school district or a K-12 district high school program, a maximum rate of ~~\$4,680~~
21 \$4,773 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district
22 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the
23 800th ANB;
- 24 (b) for an elementary school district or a K-12 district elementary program without an approved and
25 accredited junior high school or middle school, a maximum rate of ~~\$3,343~~ \$3,410 for the first ANB is
26 decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB,
27 with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and
- 28 (c) for an elementary school district or a K-12 district elementary program with an approved and
29 accredited junior high school or middle school, the sum of:
- 30 (i) a maximum rate of ~~\$3,343~~ \$3,410 for the first ANB for kindergarten through grade 6 is

1 decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB
2 in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

3 (ii) a maximum rate of ~~\$4,680~~ \$4,773 for the first ANB for grades 7 and 8 is decreased at the rate
4 of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in
5 excess of 800 receiving the same amount of entitlement as the 800th ANB."

6
7 NEW SECTION. SECTION 3. APPROPRIATION. THERE IS APPROPRIATED FROM THE GENERAL
8 FUND \$13,929,000 FOR THE BIENNIUM ENDING JUNE 30, 1999, FOR DIRECT STATE AID AND
9 GUARANTEED TAX BASE AID.

10
11 NEW SECTION. Section 4. Effective date DATES -- applicability. (1) EXCEPT AS PROVIDED IN
12 SUBSECTION (2), [This THIS act] is effective July 1, ~~1998~~ 1997, and applies to school budgets for THE
13 school fiscal years YEAR beginning ~~on or after~~ July 1, ~~1998~~ 1997.

14 (2) [SECTION 2] IS EFFECTIVE JULY 1, 1998, AND APPLIES TO SCHOOL BUDGETS FOR SCHOOL
15 FISCAL YEARS BEGINNING ON OR AFTER JULY 1, 1998.

16
17 NEW SECTION. SECTION 5. TERMINATION. [SECTION 1] TERMINATES JUNE 30, 1998.

18 -END-

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9 MAINTENANCE; PROVIDING APPROPRIATIONS; AMENDING SECTION 20-9-306, MCA; AND PROVIDING
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24 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the
25 800th ANB;

26 (b) for an elementary school district or a K-12 district elementary program without an approved and
27 accredited junior high school or middle school, a maximum rate of ~~\$3,343~~ \$3,410 for the first ANB is
28 decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB,
29 with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

30 (c) for an elementary school district or a K-12 district elementary program with an approved and

1 accredited junior high school or middle school, the sum of:

2 (i) a maximum rate of ~~\$3,343~~ \$3,410 for the first ANB for kindergarten through grade 6 is
3 decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB
4 in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

5 (ii) a maximum rate of ~~\$4,680~~ \$4,773 for the first ANB for grades 7 and 8 is decreased at the rate
6 of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in
7 excess of 800 receiving the same amount of entitlement as the 800th ANB."

8

9 NEW SECTION. SECTION 3. AID FOR TECHNOLOGY ACQUISITION, TEXTBOOKS, LIBRARY
10 MATERIALS, AND BUILDING MAINTENANCE. (1) THE SUPERINTENDENT OF PUBLIC INSTRUCTION
11 SHALL ALLOCATE THE AMOUNT APPROPRIATED FOR TECHNOLOGY ACQUISITION, TEXTBOOKS,
12 LIBRARY MATERIALS, AND BUILDING MAINTENANCE TO EACH DISTRICT BASED ON THE ANB PER-ANB
13 OF THE DISTRICT.

14 (2) IN ORDER TO RECEIVE AN ALLOCATION OF FUNDS, THE DISTRICT TRUSTEES SHALL
15 CERTIFY IN WRITING TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION THAT AN EQUAL AMOUNT
16 OF DISTRICT GENERAL FUND OR DISTRICT BUILDING RESERVE FUND WILL BE EXPENDED FOR THE
17 PURPOSES LISTED IN SUBSECTION (1).

18 (3) THE DISTRICT MAY DEPOSIT THE FUNDS RECEIVED UNDER THIS SECTION IN THE
19 MISCELLANEOUS PROGRAMS FUND AUTHORIZED IN 20-9-507 OR THE TECHNOLOGY ACQUISITION
20 FUND AUTHORIZED IN 20-9-533. ANY PORTION OF THE FUNDS DEPOSITED IN THE MISCELLANEOUS
21 PROGRAMS FUND MUST BE RESTRICTED FOR TEXTBOOKS, LIBRARY MATERIALS, AND BUILDING
22 MAINTENANCE. ANY PORTION OF THE FUNDS DEPOSITED IN THE TECHNOLOGY ACQUISITION FUND
23 MUST BE USED CONSISTENT WITH THE REQUIREMENTS OF 20-9-533.

24

25 NEW SECTION. SECTION 4. APPROPRIATION APPROPRIATIONS. (1) THERE IS APPROPRIATED
26 FROM THE GENERAL FUND ~~\$13,929,000~~ \$29,143,000 FOR THE BIENNIUM ENDING JUNE 30, 1999, FOR
27 DIRECT STATE AID AND GUARANTEED TAX BASE AID.

28 (2) THERE IS APPROPRIATED TO THE OFFICE OF PUBLIC INSTRUCTION FROM THE GENERAL
29 FUND \$12,500,000 FOR THE FISCAL YEAR ENDING JUNE 30, 1998, FOR AID TO SCHOOL DISTRICTS
30 FOR TECHNOLOGY ACQUISITION, TEXTBOOKS, LIBRARY MATERIALS, AND BUILDING MAINTENANCE.

APPROVED BY COM ON
FINANCE & CLAIMS

1 HOUSE BILL NO. 47
2 INTRODUCED BY ELLIS
3 BY REQUEST OF THE GOVERNOR
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING ~~BY 3.5 PERCENT~~ THE BASIC ENTITLEMENT AND
6 THE PER-ANB ENTITLEMENT FOR PUBLIC SCHOOLS IN FISCAL YEAR 1998 AND FISCAL YEAR 1999;
7 APPROPRIATING FUNDS FOR DIRECT STATE AID AND GUARANTEED TAX BASE AID; PROVIDING AID
8 TO SCHOOLS FOR TECHNOLOGY ACQUISITION, TEXTBOOKS, LIBRARY MATERIALS, AND BUILDING
9 MAINTENANCE; PROVIDING APPROPRIATIONS; AMENDING SECTION 20-9-306, MCA; AND PROVIDING
10 A DELAYED EFFECTIVE DATE AND AN DATES, APPLICABILITY DATE DATES, AND A TERMINATION
11 DATE."

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

THERE ARE NO CHANGES IN THIS BILL AND IT WILL NOT BE REPRINTED. PLEASE REFER TO THIRD READING COPY (BLUE) FOR COMPLETE TEXT.

1 HOUSE BILL NO. 47

2 INTRODUCED BY ELLIS

3 BY REQUEST OF THE GOVERNOR
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING ~~BY 3.5 PERCENT~~ THE BASIC ENTITLEMENT AND
6 THE PER-ANB ENTITLEMENT FOR PUBLIC SCHOOLS IN FISCAL YEAR 1998 AND FISCAL YEAR 1999
7 APPROPRIATING FUNDS FOR DIRECT STATE AID AND GUARANTEED TAX BASE AID; PROVIDING AID
8 TO SCHOOLS FOR TECHNOLOGY ACQUISITION, TEXTBOOKS, LIBRARY MATERIALS, AND BUILDING
9 MAINTENANCE; PROVIDING APPROPRIATIONS; AMENDING SECTION 20-9-306, MCA; AND PROVIDING
10 A DELAYED EFFECTIVE DATE AND AN DATES, APPLICABILITY DATE DATES, AND A TERMINATION
11 DATE."

12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
1415 **Section 1.** Section 20-9-306, MCA, is amended to read:16 **"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the
17 following definitions apply:

18 (1) "BASE" means base amount for school equity.

19 (2) "BASE aid" means:

20 (a) direct state aid for 40% of the basic entitlement and 40% of the total per-ANB entitlement for
21 the general fund budget of a district; and22 (b) guaranteed tax base aid for an eligible district for any amount up to 40% of the basic
23 entitlement, up to 40% of the total per-ANB entitlement budgeted in the general fund budget of a district,
24 and up to 40% of the special education allowable cost payment.25 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of
26 the basic entitlement, 80% of the total per-ANB entitlement, and up to 140% of the special education
27 allowable cost payment.28 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which
29 may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366
30 through 20-9-369.

1 (5) "BASE funding program" means the state program for the equitable distribution of the state's
 2 share of the cost of Montana's basic system of public elementary schools and high schools, through county
 3 equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343,
 4 in support of the BASE budgets of districts and special education allowable cost payments as provided in
 5 20-9-321.

6 (6) "Basic entitlement" means:

7 (a) ~~\$191,000~~ ~~\$197,690~~ \$200,000 for each high school district;

8 (b) ~~\$17,190~~ ~~\$17,790~~ \$18,000 for each elementary school district or K-12 district elementary
 9 program without an approved and accredited junior high school or middle school; and

10 (c) the prorated entitlement for each elementary school district or K-12 district elementary program
 11 with an approved and accredited junior high school or middle school, calculated as follows:

12 (i) ~~\$17,190~~ ~~\$17,790~~ \$18,000 times the ratio of the ANB for kindergarten through grade 6 to the
 13 total ANB of kindergarten through grade 8; plus

14 (ii) ~~\$191,000~~ ~~\$197,690~~ \$200,000 times the ratio of the ANB for grades 7 and 8 to the total ANB
 15 of kindergarten through grade 8.

16 (7) "Direct state aid" means 40% of the basic entitlement and 40% of the total per-ANB
 17 entitlement for the general fund budget of a district and funded with state and county equalization aid.

18 (8) "Maximum general fund budget" means a district's general fund budget amount calculated from
 19 the basic entitlement for the district, the total per-ANB entitlement for the district, and up to 153% of
 20 special education allowable cost payments.

21 (9) "Over-BASE budget levy" means the district levy in support of any general fund amount
 22 budgeted that is above the BASE budget and below the maximum general fund budget for a district.

23 (10) "Total per-ANB entitlement" means the district entitlement resulting from the following
 24 calculations:

25 (a) for a high school district or a K-12 district high school program, a maximum rate of ~~\$4,680~~
 26 ~~\$4,843~~ \$4,726 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of
 27 the district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement
 28 as the 800th ANB;

29 (b) for an elementary school district or a K-12 district elementary program without an approved and
 30 accredited junior high school or middle school, a maximum rate of ~~\$3,343~~ ~~\$3,459~~ \$3,376 for the first ANB

1 is decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB.
 2 with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

3 (c) for an elementary school district or a K-12 district elementary program with an approved and
 4 accredited junior high school or middle school, the sum of:

5 (i) a maximum rate of ~~\$3,343~~ ~~\$3,459~~ \$3,376 for the first ANB for kindergarten through grade 6
 6 is decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each
 7 ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

8 (ii) a maximum rate of ~~\$4,680~~ ~~\$4,843~~ \$4,726 for the first ANB for grades 7 and 8 is decreased at
 9 the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each
 10 ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB."

11
 12 **SECTION 2. SECTION 20-9-306, MCA, IS AMENDED TO READ:**

13 "20-9-306. **Definitions.** As used in this title, unless the context clearly indicates otherwise, the
 14 following definitions apply:

15 (1) "BASE" means base amount for school equity.

16 (2) "BASE aid" means:

17 (a) direct state aid for 40% of the basic entitlement and 40% of the total per-ANB entitlement for
 18 the general fund budget of a district; and

19 (b) guaranteed tax base aid for an eligible district for any amount up to 40% of the basic
 20 entitlement, up to 40% of the total per-ANB entitlement budgeted in the general fund budget of a district,
 21 and up to 40% of the special education allowable cost payment.

22 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of
 23 the basic entitlement, 80% of the total per-ANB entitlement, and up to 140% of the special education
 24 allowable cost payment.

25 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which
 26 may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366
 27 through 20-9-369.

28 (5) "BASE funding program" means the state program for the equitable distribution of the state's
 29 share of the cost of Montana's basic system of public elementary schools and high schools, through county
 30 equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343,

1 in support of the BASE budgets of districts and special education allowable cost payments as provided in
2 20-9-321.

3 (6) "Basic entitlement" means:

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5 (b) ~~\$17,190~~ \$18,000 for each elementary school district or K-12 district elementary program
6 without an approved and accredited junior high school or middle school; and

7 (c) the prorated entitlement for each elementary school district or K-12 district elementary program
8 with an approved and accredited junior high school or middle school, calculated as follows:

9 (i) ~~\$17,190~~ \$18,000 times the ratio of the ANB for kindergarten through grade 6 to the total ANB
10 of kindergarten through grade 8; plus

11 (ii) ~~\$191,000~~ \$200,000 times the ratio of the ANB for grades 7 and 8 to the total ANB of
12 kindergarten through grade 8.

13 (7) "Direct state aid" means 40% of the basic entitlement and 40% of the total per-ANB
14 entitlement for the general fund budget of a district and funded with state and county equalization aid.

15 (8) "Maximum general fund budget" means a district's general fund budget amount calculated from
16 the basic entitlement for the district, the total per-ANB entitlement for the district, and up to 153% of
17 special education allowable cost payments.

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21 calculations:

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24 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the
25 800th ANB;

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3 decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB
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7 excess of 800 receiving the same amount of entitlement as the 800th ANB."

8

9 NEW SECTION. SECTION 3. AID FOR TECHNOLOGY ACQUISITION, TEXTBOOKS, LIBRARY
10 MATERIALS, AND BUILDING MAINTENANCE. (1) THE SUPERINTENDENT OF PUBLIC INSTRUCTION
11 SHALL ALLOCATE THE AMOUNT APPROPRIATED FOR TECHNOLOGY ACQUISITION, TEXTBOOKS,
12 LIBRARY MATERIALS, AND BUILDING MAINTENANCE TO EACH DISTRICT BASED ON THE ANB PER-ANB
13 OF THE DISTRICT.

14 (2) IN ORDER TO RECEIVE AN ALLOCATION OF FUNDS, THE DISTRICT TRUSTEES SHALL
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17 PURPOSES LISTED IN SUBSECTION (1).

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20 FUND AUTHORIZED IN 20-9-533. ANY PORTION OF THE FUNDS DEPOSITED IN THE MISCELLANEOUS
21 PROGRAMS FUND MUST BE RESTRICTED FOR TEXTBOOKS, LIBRARY MATERIALS, AND BUILDING
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27 DIRECT STATE AID AND GUARANTEED TAX BASE AID.

28 (2) THERE IS APPROPRIATED TO THE OFFICE OF PUBLIC INSTRUCTION FROM THE GENERAL
29 FUND \$12,500,000 FOR THE FISCAL YEAR ENDING JUNE 30, 1998, FOR AID TO SCHOOL DISTRICTS
30 FOR TECHNOLOGY ACQUISITION, TEXTBOOKS, LIBRARY MATERIALS, AND BUILDING MAINTENANCE.

