

1                               \*\*\*\* BILL NO. \*\*\*\*

2                               INTRODUCED BY \*\*\*\*

3                               BY REQUEST OF THE \*\*\*\*

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5   A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING SPECIAL EDUCATION FUNDING LAWS  
6   TO CREATE AN EXTRAORDINARY COSTS PROGRAM ADMINISTERED BY THE SUPERINTENDENT OF  
7   PUBLIC INSTRUCTION; PROVIDING PROGRAM PARAMETERS AND A DEFINITION; PROVIDING  
8   RULEMAKING AUTHORITY; PROVIDING AN APPROPRIATION; AND PROVIDING AN EFFECTIVE DATE."

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

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13               NEW SECTION. **Section 1.   Funding for extraordinary special education costs - district**

14 **eligibility - rulemaking - definitions.** (1) The superintendent of public instruction shall administer a program to  
15 distribute funding appropriated by the legislature to school districts to support the provision of special education  
16 to students requiring services with extraordinary costs as described in this section.

17               (2)       (a) A school district may apply to the superintendent of public instruction in a manner  
18 prescribed by the superintendent for state funding for extraordinary costs under this section.

19               (b)       The superintendent shall accept applications for a period of at least three weeks during the  
20 month of February, approve, modify, or reject applications by March 15, and distribute funds for approved  
21 applications to school districts by the last working day of March.

22               (c)       In addition to the February application period, the superintendent shall allow a district  
23 experiencing severe financial hardship due to extraordinary costs to apply earlier in the school year and receive  
24 advance payments to relieve that financial hardship.

25               (3)       (a) Except as provided in subsection (3)(b), a school district receiving funds under this section  
26 shall deposit the funds in the miscellaneous programs fund and expend the funds in the same fiscal year in  
27 which the funds were received to support the special education costs of the student for whom the funds were  
28 received.

(b) A school district receiving funds under this section for a child with a disability being educated by another school district under an out-of-district attendance agreement under Title 20, chapter 5, part 3, shall immediately remit to the school district providing the child's education all funds received under this section.

(4) The obligation for funding extraordinary costs under this section is an obligation of the state. If the money appropriated for extraordinary costs is not enough to provide the full funding to school districts approved by the superintendent of public instruction, the superintendent shall request the state budget director to submit a request for a supplemental appropriation in the second year of the biennium that is sufficient to complete the funding for extraordinary costs.

(5) The superintendent of public instruction shall:

(a) adopt rules necessary for the implementation of this section; and

(b) upon request of the education interim budget committee, provide information on the implementation of the program.

(6) As used in this section, the following definitions apply:

(a) "Extraordinary costs" means the full costs of providing a free appropriate public education, as defined in 20-7-401, to a child with a disability that exceed three times the statewide per-pupil expenditures calculated by the office of public instruction for the purpose of federal reporting requirements under the Every Student Succeeds Act two years prior [need to buckle this down; about 3 X \$14K or \$42K in 24-25].

**NEW SECTION. Section 2. Appropriations.** (1) There is appropriated \$20 million from the general fund for the biennium beginning July 1, 2027, to the office of public instruction for the purpose of distributing funding to school districts as described in [section 1].

(2) The legislature intends that the appropriation in this section be considered part of the ongoing base for the next legislative session.

**NEW SECTION. Section 3. Codification instruction.** [Sections 1 through 1] are intended to be codified as an integral part of Title 20, chapter 7, part 4, and the provisions of Title 20, chapter 7, part 4, apply to [sections 1 through 1].

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