



## Education Interim Committee

### 69th Montana Legislature

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TO: Education Interim Committee  
FROM: Pad McCracken, Committee Staff, and Paul Taylor, OPI School Finance  
RE: School Funding Clean-up Provisional Bill Drafts  
DATE: June 5, 2026

This memo is a follow-up to the [School Funding Issues for Possible Clean-up Legislation memo](#) discussed at your March 16, 2026 meeting.

Your committee staff have worked with OPI and other education stakeholder groups in preparing the attached provisional drafts (PDs) for your review and discussion, as well as for public comment. At the committee's direction, we will make changes to the drafts and bring them back to you at your September 14 meeting. At that time, the committee can determine whether or not to recommend them to the 2027 Legislature and designate a sponsor from among those committee members known to be returning. You can also decide at this June meeting to not proceed further with any or all of the provisional drafts.

Note: the March memo included taking a look at the term "state equalization aid" as it is used in about a dozen statutes in Title 20 and considering some clean-up related to its use. The term's use is a bit of a tangled mess and a legacy of previous school funding eras, but it's also not causing any problems. We decided to leave it alone for now and did not prepare a bill draft addressing this issue.

Here's a list and brief synopsis of the attached PDs:

**PD 01** – this draft brings Montana statute into compliance with the requirements of federal law, specifically the Individuals with Disabilities Education Act or IDEA, following a lawsuit and [settlement entered into by the state in August 2025](#). The changes reflect the requirement that school districts serve students with disabilities who have not been awarded a regular high school diploma through the school year in which they turn 22 years of age. The draft also revises statute to allow these students to be included in ANB calculations to ensure that both state and local funding is generated for their education.

**PD 02** – this draft updates statute to reflect calculations made by OPI (as directed by law) since the conclusion of the 2025 Legislative Session. Specifically, increases in transportation reimbursement rates under HB 483 and the establishment of a guaranteed tax base multiplier for the new countywide BASE levies under HB 156.

Additional consideration: HB 483 only directed OPI to increase the reimbursement rates applicable to school buses and based on bus capacity (the rates had not been adjusted for 20+ years). HB 483 did not direct OPI to increase the rates for individual transportation in [20-10-142, MCA](#), which apply when a parent or guardian provides student transportation. The rate is 35 cents a mile and has not been adjusted since 2005. The committee could consider increasing this rate by the same percentage provided to the bus rates, which would bring the rate to 58 cents a mile, or by any other amount.

**PD 03** – this draft addresses the circumstance in which the Legislature under-appropriates the amount of Advanced Opportunity Aid necessary to fully fund distributions to school districts. The law requires the superintendent of public instruction to seek a supplemental appropriation if this happens, but because Advanced Opportunity Aid is distributed prior to October 1, statute needs to address a modified distribution for this circumstance.

The new language directing the office of public instruction to include “expected program growth” in its estimate for the present law base will reduce the likelihood of a supplemental being necessary. This will mean a fiscal note and impact from PD 03, but it is really a matter of “pay up front or pay later” because of the existing requirement to seek a supplemental in case of a shortfall. The OPI would prefer to have legislative direction to budget prudently and avoid the need for a supplemental request.

**PD 05** – this draft replaces the phrase “cash balance” with the more commonly used and understood “fund balance” in two sections of code.

**PD 06** – this draft eliminates the requirement that the superintendent of public instruction provide districts with printed budget forms.

**PD 08** – this draft repeals all four sections of chapter 32 of Title 20 and eliminates the no-longer-existing Montana Educational Telecommunications Network (METNET). This was not included in your March memo but these statutes were stumbled on in early April. Staff checked with the Office of Public Instruction, the Office of the Commissioner of Higher Education, the Department of Administration, and the Montana Digital Academy about this, and all confirmed that METNET has been defunct for 10+ years and that these statutes could be repealed. A separate document is attached following the draft so you can see what is being repealed.

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

2 INTRODUCED BY \*\*\*\*

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

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING SPECIAL EDUCATION LAWS; ADDING A DEFINITION  
6 OF "REGULAR HIGH SCHOOL DIPLOMA"; REQUIRING TRUSTEES TO ADMIT CERTAIN STUDENTS UP  
7 TO AGE 22; REQUIRING TRUSTEES TO ESTABLISH SPECIAL EDUCATION PROGRAMS TO SERVE  
8 STUDENTS WITH DISABILITIES UP TO AGE 22; ALLOWING STUDENTS WITH DISABILITIES UP TO AGE  
9 22 TO BE INCLUDED IN ENROLLMENT COUNTS FOR ANB CALCULATIONS; AMENDING SECTIONS 20-1-  
10 101, 20-5-101, 20-7-411, AND 20-9-311, MCA; PROVIDING AN IMMEDIATE EFFECTIVE DATE."

11  
12 WHEREAS, In August 2025, a federal district court found that Montana state law violates federal law by  
13 failing to provide a free appropriate public education to students with disabilities to age 22;

14 WHEREAS, Montana school districts have been operating under this court order for the past two  
15 school years; and

16 WHEREAS, the court order will remain in effect until Montana statutes are updated to mandate that a  
17 free and appropriate public education be made available to all qualifying students until they reach the age of 22.

18  
19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

20  
21 **Section 1.** Section 20-1-101, MCA, is amended to read:

22 **"20-1-101. Definitions.** As used in this title, unless the context clearly indicates otherwise, the  
23 following definitions apply:

- 24 (1) "Accreditation standards" means the body of administrative rules governing standards such as:  
25 (a) school leadership;  
26 (b) educational opportunity;  
27 (c) academic requirements;  
28 (d) program area standards;

- 1 (e) content and performance standards;
- 2 (f) school facilities and records;
- 3 (g) student assessment; and
- 4 (h) general provisions.
- 5 (2) "Aggregate hours" means the hours of pupil instruction for which a school course or program is
- 6 offered or for which a pupil is enrolled.
- 7 (3) "Agricultural experiment station" means the agricultural experiment station established at
- 8 Montana state university-Bozeman.
- 9 (4) "At-risk student" means any student who is affected by environmental conditions that negatively
- 10 impact the student's educational performance or threaten a student's likelihood of promotion or graduation.
- 11 (5) "Average number belonging" or "ANB" means the average number of regularly enrolled, full-
- 12 time pupils physically attending a school of the district or an offsite instructional setting or receiving remote
- 13 instruction from the public schools of a district.
- 14 (6) "Board of public education" means the board created by Article X, section 9, subsection (3), of
- 15 the Montana constitution and 2-15-1507.
- 16 (7) "Board of regents" means the board of regents of higher education created by Article X, section
- 17 9, subsection (2), of the Montana constitution and 2-15-1505.
- 18 (8) "Career coach" means a person who, pursuant to 20-7-335, provides career technical
- 19 education or K-12 career and vocational/technical education postsecondary options to pupils in a district.
- 20 (9) "Commissioner" means the commissioner of higher education created by Article X, section 9,
- 21 subsection (2), of the Montana constitution and 2-15-1506.
- 22 (10) "County superintendent" means the county government official who is the school officer of the
- 23 county.
- 24 (11) "District superintendent" means a person who holds a valid class 3 Montana teacher certificate
- 25 with a superintendent's endorsement that has been issued by the superintendent of public instruction under the
- 26 provisions of this title and the policies adopted by the board of public education and who has been employed by
- 27 a district as a district superintendent.
- 28 (12) (a) "Educational program" means a set of educational offerings designed to meet the program

1 area standards contained in the accreditation standards.

2 (b) The term does not include an educational program or programs used in 20-4-121 and 20-25-  
3 803.

4 (13) "K-12 career and vocational/technical education" means organized educational activities that  
5 have been approved by the office of public instruction and that:

6 (a) offer a sequence of courses that provide a pupil with the academic and technical knowledge  
7 and skills that the pupil needs to prepare for further education and for careers in the current or emerging  
8 employment sectors; and

9 (b) include competency-based applied learning through advanced opportunities, work-based  
10 learning partnerships, and other experiential learning opportunities that contribute to the academic knowledge,  
11 higher-order reasoning and problem-solving skills, work attitudes, general employability skills, technical skills,  
12 and occupation-specific skills of the pupil.

13 (14) (a) "Minimum aggregate hours" means the minimum hours of pupil instruction that must be  
14 conducted during the school fiscal year in accordance with 20-1-301 and includes passing time between  
15 classes and includes time spent logging on and off when receiving remote instruction.

16 (b) The term does not include lunch time and periods of unstructured recess.

17 (15) "Offsite instructional setting" means an instructional setting that is an extension of a school of  
18 the district, located apart from the school, but within the boundaries of the district, where a school district  
19 provides in-person pupil instruction to a student who is enrolled in the district. A district shall comply with any  
20 rules adopted by the board of public education that specify standards for the provision of educational services  
21 at an offsite instructional setting.

22 (16) "Principal" means a person who holds a valid class 3 Montana teacher certificate with an  
23 applicable principal's endorsement that has been issued by the superintendent of public instruction under the  
24 provisions of this title and the policies adopted by the board of public education and who has been employed by  
25 a district as a principal. For the purposes of this title, any reference to a teacher must be construed as including  
26 a principal.

27 (17) "Pupil" means an individual who is admitted by the board of trustees pursuant to 20-5-101 and  
28 who is enrolled in a school established and maintained under the laws of the state at public expense. The

eligibility of pupils and calculations for average number belonging are governed by 20-9-311.

(18) "Pupil instruction" means the conduct of organized learning opportunities for pupils enrolled in public schools while under the supervision of a teacher. The term includes any directed, distributive, collaborative, or work-based or other experiential learning activity provided, supervised, guided, facilitated, or coordinated under the supervision of a teacher that is conducted purposely to achieve content proficiency and facilitate the acquisition of knowledge, skills, and abilities by pupils enrolled in public schools, and to otherwise fulfill their full educational potential.

(19) "Qualified and effective teacher or administrator" means an educator who is licensed and endorsed in the areas in which the educator teaches, specializes, or serves in an administrative capacity as established by the board of public education.

(20) "Regents" means the board of regents of higher education.

(21) (a) "Regular high school diploma" means a diploma that is recognized as a regular high school diploma under the Individuals with Disabilities Education Act and its implementing regulations, including 34 C.F.R. 300.102(a)(3)(ii), as those provisions may be amended.

(b) The term does not include any credential, certificate, completion document, or alternative diploma that is not recognized as a regular high school diploma under federal law.

~~(21)(22)~~ "Regular school election" or "trustee election" means the election for school board members held on the day established in 20-20-105(1).

~~(22)(23)~~ "Remote instruction" means pupil instruction that occurs through virtual learning processes incorporating distance and online learning methods that best prepare pupils to meet desired learning outcomes as authorized in 20-7-118.

~~(23)(24)~~ "School election" means a regular school election or any election conducted by a district or community college district for authorizing taxation, authorizing the issuance of bonds by an elementary, high school, or K-12 district, or accepting or rejecting any proposition that may be presented to the electorate for decision in accordance with the provisions of this title.

~~(24)(25)~~ "School food services" means a service of providing food for the pupils of a district on a nonprofit basis and includes any food service financially assisted through funds or commodities provided by the United States government.

(25) "School of the district" or "school in the district" means an accredited school operated by the district that is located within the boundaries of the district operating the school.

(26) "Special school election" means an election held on a day other than the day of the regular school election, primary election, or general election.

(27) "State board of education" means the board composed of the board of public education and the board of regents as specified in Article X, section 9, subsection (1), of the Montana constitution.

(28) "State university" means Montana state university-Bozeman.

(29) "Student with limited English proficiency" means any student:

(a) (i) who was not born in the United States or whose native language is a language other than English;

(ii) who is an American Indian and who comes from an environment in which a language other than English has had a significant impact on the individual's level of English proficiency; or

(iii) who is migratory, whose native language is a language other than English, and who comes from an environment in which a language other than English is dominant; and

(b) whose difficulties in speaking, reading, writing, or understanding the English language may be sufficient to deny the student:

(i) the ability to meet the state's proficiency assessments;

(ii) the ability to successfully achieve in classrooms in which the language of instruction is English;

or

(iii) the opportunity to participate fully in society.

(30) "Superintendent of public instruction" means that state government official designated as a member of the executive branch by the Montana constitution.

(31) "System" means the Montana university system.

(32) "Teacher" means a person, except a district superintendent, who holds a valid Montana teacher certificate that has been issued by the superintendent of public instruction under the provisions of this title and the policies adopted by the board of public education and who is employed by a district as a member of its instructional, supervisory, or administrative staff. This definition of a teacher includes a person for whom an emergency authorization of employment has been issued under the provisions of 20-4-111.

(33) "Textbook" means a book, digital resource, or manual used as a principal source of study material for a given class or group of students.

(34) "Textbook dealer" means a party, company, corporation, or other organization selling, offering to sell, or offering for adoption textbooks to districts in the state.

(35) "Trustees" means the governing board of a district.

(36) "University" means the university of Montana-Missoula.

(37) "Vocational-technical education" means vocational-technical education of vocational-technical students that is conducted by a unit of the Montana university system, a community college, or a tribally controlled community college, as designated by the board of regents."

**Section 2.** Section 20-5-101, MCA, is amended to read:

**"20-5-101. Admittance of child to school.** (1) The trustees shall assign and admit a child to a school in the district when the child is:

(a) 5 years of age or older on or before September 10 of the year in which the child is to enroll but is not yet 19 years of age or, in the case of a student eligible for special education, is not yet 22 years of age on or before September 10 of the year in which the child is to enroll and has not yet graduated with a regular high school diploma as defined in 20-1-101;

(b) a resident of the district; and

(c) otherwise qualified under the provisions of this title to be admitted to the school.

(2) The trustees of a district may assign and admit any nonresident child to a school in the district under the tuition provisions of this title.

(3) (a) The trustees may at their discretion assign and admit a child to a school in the district who is under 5 years of age or an adult who is 19 years of age or older if there are exceptional circumstances that merit waiving the age provision of this section. The trustees may also admit an individual who has graduated from high school but is not yet 19 years of age even though no special circumstances exist for waiver of the age provision of this section.

(b) As used in this subsection (3), "exceptional circumstances" means any of the following:

(i) the child is being admitted into a preschool program established by the trustees pursuant to 20-

1 7-117;

2 (ii) the child is determined by the trustees to be ready for kindergarten and the child's parents have  
3 requested early entry into the district's regular 1-year kindergarten program;

4 (iii) the child is being admitted into an early targeted intervention classroom or jumpstart program  
5 pursuant to Title 20, chapter 7, part 18;

6 ~~(iv) the child is a child with a disability and is being admitted into a special education program~~  
7 ~~pursuant to 20-7-411; or~~

8 ~~(iv)~~ (iv) the adult is 19 years of age or older and in the trustees' determination would benefit from  
9 educational programs offered by a school of the district.

10 (c) The admittance of an individual under this subsection (3) does not in and of itself impact the  
11 ANB calculations governed by 20-9-311.

12 (4) The trustees shall assign and admit a child who is homeless, as defined in the Stewart B.  
13 McKinney Homeless Assistance Act, Public Law 100-77, to a school in the district regardless of residence. The  
14 trustees may not require an out-of-district attendance agreement or tuition for a homeless child.

15 (5) The trustees shall assign and admit a child whose parent or guardian is being relocated to  
16 Montana under military orders to a school in the district and allow the child to preliminarily enroll in classes and  
17 apply for programs offered by the district prior to arrival and establishing residency.

18 (6) Except for the provisions of subsection (4), tuition for a nonresident child must be paid in  
19 accordance with the tuition provisions of this title.

20 (7) The trustees' assignment of a child meeting the qualifications of subsection (1) to a school in  
21 the district outside of the adopted school boundaries applicable to the child is subject to the district's grievance  
22 policy. Upon completion of procedures set forth in the district's grievance policy, the trustees' decision regarding  
23 the assignment is final.

24 (8) The trustees shall assign and admit a child who is enrolled in a nonpublic or home school and  
25 who meets the requirements of subsection (1) as a part-time enrollee at the request of the child's parent or  
26 guardian.

27 (9) For the purposes of this part, "part-time enrollee" means a qualifying pupil who is enrolled and  
28 admitted at one of the fractional levels that qualify for part-time ANB pursuant to 20-9-311(4)(a) or (4)(d)."

**Section 3.** Section 20-7-411, MCA, is amended to read:

**"20-7-411. Regular classes preferred -- obligation to establish special education program.** (1) A

child with a disability in Montana is entitled to a free appropriate public education provided in the least restrictive environment. To the maximum extent appropriate, a child with a disability, including a child in a public or private institution or other care facility, must be educated with children who do not have disabilities. Separate schooling or other removal of a child with a disability from the regular educational environment may occur only when the nature or severity of the disability is such that education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily.

(2) The board of trustees of every school district or a state-operated adult health care facility providing special education services to its residents shall provide or establish and maintain a special education program for each child with a disability who is 5 years of age or older ~~and under 19 years of age but is not yet~~ 22 years of age on or before September 10 of the year in which the student will enroll and has not yet graduated with a regular high school diploma as defined in 20-1-101.

(3) The board of trustees of each elementary and K-12 school district shall provide or establish and maintain a special education program for each preschool child with a disability who is 3 years of age or older and under 7 years of age.

(4) ~~(a) The board of trustees of a school district or a state-operated adult health care facility providing special education services to its residents~~ may provide or establish and maintain a special education program for a child with a disability who is 2 years of age or under ~~or who is 19 years of age or older and under~~ 22 years of age.

~~(b) — Programs established pursuant to subsection (4)(a) do not obligate the state, a school district, or a state-operated adult health care facility providing special education services to its residents to offer regular educational programs to a similar age group unless specifically provided by law.~~

(5) The board of trustees of a school district or a state-operated adult health care facility providing special education services to its residents may meet its obligation to serve persons with disabilities by establishing its own special education program, by establishing a cooperative special education program, by participating in a regional services program, or by contracting for services from qualified providers. A state-

operated adult health care facility providing special education services to its residents may also meet its obligation by coordinating appropriate services with the resident's school district of residence, the local high school district, or both.

(6) The trustees of a school district or a state-operated adult health care facility providing special education services to its residents shall ensure that assistive technology devices or assistive technology services, or both, are made available to a child with a disability if required as a part of the child's special education services, related services, or supplementary aids."

**Section 4.** Section 20-9-311, MCA, is amended to read:

**"20-9-311. Calculation of ANB -- 3-year averaging.** (1) Average number belonging must be computed for each budget unit as follows:

(a) compute an average enrollment by adding a count of regularly enrolled pupils who were enrolled as of the first Monday in October of the prior school fiscal year to a count of regularly enrolled pupils on the first Monday in February of the prior school fiscal year or the next school day if those dates do not fall on a school day, and divide the sum by two; and

(b) multiply the average enrollment calculated in subsection (1)(a) by the sum of 180 and the approved pupil-instruction-related days for the current school fiscal year and divide by 180.

(2) For the purpose of calculating ANB under subsection (1), up to 7 approved pupil-instruction-related days may be included in the calculation.

(3) When a school district has approval to operate less than the minimum aggregate hours under 20-9-806, the total ANB must be calculated in accordance with the provisions of 20-9-805.

(4) (a) Except as provided in subsection (4)(d), for the purpose of calculating ANB, enrollment in an education program:

(i) from 180 to 359 aggregate hours of pupil instruction per school year is counted as one-quarter-time enrollment;

(ii) from 360 to 539 aggregate hours of pupil instruction per school year is counted as half-time enrollment;

(iii) from 540 to 719 aggregate hours of pupil instruction per school year is counted as three-

1 quarter-time enrollment; and

2 (iv) 720 or more aggregate hours of pupil instruction per school year is counted as full-time  
3 enrollment.

4 (b) Except as provided in subsection (4)(d), enrollment in a program intended to provide fewer than  
5 180 aggregate hours of pupil instruction per school year may not be included for purposes of ANB.

6 (c) Enrollment in a self-paced program or course may be converted to an hourly equivalent based  
7 on the hours necessary and appropriate to provide the course within a regular classroom schedule.

8 (d) A school district may include in its calculation of ANB a pupil who is enrolled in a program  
9 providing fewer than the required aggregate hours of pupil instruction required under subsection (4)(a) or (4)(b)  
10 if the pupil has demonstrated proficiency in the content ordinarily covered by the instruction as determined by  
11 the school board using district assessments. The ANB of a pupil under this subsection (4)(d) must be converted  
12 to an hourly equivalent based on the hours of instruction ordinarily provided for the content over which the  
13 student has demonstrated proficiency.

14 (e) (i) Except as provided in subsection (4)(e)(ii), a pupil who is concurrently enrolled in more than  
15 one public school, program, or district may not be counted as more than one full-time pupil for ANB purposes.  
16 When a pupil is concurrently enrolled in more than one district, any fractional enrollment under subsection  
17 (4)(a) must be attributed first to a pupil's nonresident district.

18 (ii) A pupil who participates in a jumpstart program under Title 20, chapter 7, part 18, may be  
19 counted as up to 1&#8201;1/4 enrollment for ANB purposes. A district providing a jumpstart program shall add  
20 one-quarter enrollment for a pupil who participated in the district's jumpstart program to the pupil's regular  
21 enrollment count under this subsection (4) in both the October and February enrollment counts following the  
22 student's participation in the jumpstart program.

23 (5) When a pupil has been absent, with or without excuse, for more than 10 consecutive school  
24 days, the pupil may not be included in the enrollment count used in the calculation of the ANB unless the pupil  
25 resumes attendance prior to the day of the enrollment count.

26 (6) (a) (i) The enrollment of preschool pupils in preschool programs created at the discretion of  
27 trustees as provided in 20-7-117 may not be included in the ANB calculations.

28 (ii) Preschool children with disabilities receiving special education services as required under 20-7-

411(3) may be included in ANB calculations based on the aggregate hours of pupil instruction as provided in subsection (4) of this section.

(b) Except as provided in subsection (6)(c), a pupil who has reached 19 years of age by September 10 of the school year may not be included in the ANB calculations.

(c) A pupil with disabilities who is over 19 years of age and has not yet reached ~~21~~ 22 years of age by September 10 of the school year and who is receiving special education services from a school district pursuant to ~~20-7-411(4)(a)~~ 20-7-411(2) may be included in the ANB calculations ~~if:~~

~~(i) the student has not graduated;~~

~~(ii) the student is eligible for special education services and is likely to be eligible for adult services for individuals with developmental disabilities due to the significance of the student's disability; and~~

~~(iii) the student's individualized education program has identified transition goals that focus on preparation for living and working in the community following high school graduation since age 16 or the student's disability has increased in significance after age 16.~~

~~(d) A school district providing special education services pursuant to subsection (6)(c) is encouraged to collaborate with agencies and programs that serve adults with developmental disabilities in meeting the goals of a student's transition plan.~~

(7) The ANB of the regularly enrolled pupils for the public schools of a district must be based on the aggregate of all the regularly enrolled pupils attending the schools of the district, except that:

(a) the ANB is calculated as a separate budget unit when:

(i) a school of the district is located more than 20 miles beyond the incorporated limits of a city or town located in the district and at least 20 miles from any other school of the district, the number of regularly enrolled pupils of the school must be calculated as a separate budget unit for ANB purposes and the district must receive a basic entitlement for the school calculated separately from the other schools of the district;

(ii) a school of the district is located more than 20 miles from any other school of the district and incorporated territory is not involved in the district, the number of regularly enrolled pupils of the school must be calculated separately for ANB purposes and the district must receive a basic entitlement for the school calculated separately from the other schools of the district;

(iii) the superintendent of public instruction approves an application not to aggregate when

geographic barriers exist affecting transportation, such as poor roads, mountains, rivers, or other obstacles to travel, that would result in an unusual hardship to the pupils of the school if they were transported to another school, the number of regularly enrolled pupils of the school must be calculated separately for ANB purposes and the district must receive a basic entitlement for the school calculated separately from the other schools of the district; or

(iv) two or more districts reorganize or annex under the provisions of 20-6-422 or 20-6-423, the ANB and the basic entitlements of the component districts must be calculated separately for a period of 3 years following the reorganization or annexation. Each district shall retain a percentage of its basic entitlement for 3 additional years as follows:

(A) 75% of the basic entitlement for the fourth year;

(B) 50% of the basic entitlement for the fifth year; and

(C) 25% of the basic entitlement for the sixth year.

(b) when a junior high school has been approved and accredited as a junior high school, all of the regularly enrolled pupils of the junior high school must be considered as high school district pupils for ANB purposes;

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

(d) when a school has been designated as nonaccredited by the board of public education because of failure to meet the board of public education's assurance and performance standards, the regularly enrolled pupils attending the nonaccredited school are not eligible for ANB calculation purposes, nor will an ANB for the nonaccredited school be used in determining the BASE funding program for the district.

(8) The district shall provide the superintendent of public instruction with semiannual reports of school attendance, absence, and enrollment for regularly enrolled students, using a format determined by the superintendent.

(9) (a) Except as provided in subsections (9)(b) and (9)(c), enrollment in a basic education program provided by the district through any combination of in-person or remote instruction may be included for ANB purposes only if the pupil is offered access to the complete range of educational services for the basic

1 education program required by the accreditation standards adopted by the board of public education.

2 (b) Access to school programs and services for a student placed by the trustees in a private  
3 program for special education may be limited to the programs and services specified in an approved individual  
4 education plan supervised by the district.

5 (c) Access to school programs and services for a student who is incarcerated in a facility, other  
6 than a youth detention center, may be limited to the programs and services provided by the district at district  
7 expense under an agreement with the incarcerating facility.

8 (d) This subsection (9) may not be construed to require a school district to offer access to activities  
9 governed by an organization having jurisdiction over interscholastic activities, contests, and tournaments to a  
10 pupil who is not otherwise eligible under the rules of the organization.

11 (10) A district may include only, for ANB purposes, an enrolled pupil who is otherwise eligible under  
12 this title and who is:

13 (a) a resident of the district or a nonresident student admitted by trustees under a student  
14 attendance agreement and who is attending a school or an offsite instructional setting of the district;

15 (b) unable to attend school due to a medical reason certified by a medical doctor and receiving  
16 individualized educational services supervised by the district, at district expense, at a home or facility that does  
17 not offer an educational program;

18 (c) unable to attend school due to the student's incarceration in a facility, other than a youth  
19 detention center, and who is receiving individualized educational services supervised by the district, at district  
20 expense, at a home or facility that does not offer an educational program;

21 (d) receiving special education and related services, other than day treatment, under a placement  
22 by the trustees at a private nonsectarian school or private program if the pupil's services are provided at the  
23 district's expense under an approved individual education plan supervised by the district;

24 (e) participating in the running start program at district expense under 20-9-706;

25 (f) receiving educational services, provided by the district, using appropriately licensed district staff  
26 at a private residential program or private residential facility licensed by the department of public health and  
27 human services;

28 (g) enrolled in an educational program or course provided at district expense using remote delivery

methods, including but not limited to tutoring, distance learning programs, online programs, and technology delivered learning programs. The pupil:

- (i) must meet the residency requirements for that district as provided in 1-1-215;
- (ii) shall live in the district and must be eligible for educational services under the Individuals With Disabilities Education Act or under 29 U.S.C. 794; or
- (iii) must be enrolled in the educational program or course under a mandatory attendance agreement as provided in 20-5-321; or
- (iv) must be receiving remote instruction under 20-7-118(1)(c).
- (h) a resident of the district attending the Montana youth challenge program or a Montana job corps program under an interlocal agreement with the district under 20-9-707.

(11) A district shall, for ANB purposes, calculate the enrollment of an eligible Montana youth challenge program participant as half-time enrollment.

(12) (a) A district may, for ANB purposes, include in the October and February enrollment counts an individual who is otherwise eligible under this title and who during the prior school year:

- (i) resided in the district;
  - (ii) was not enrolled in the district or was not enrolled full time; and
  - (iii) completed an extracurricular activity with a duration of at least 6 weeks.
- (b) (i) Except as provided in subsection (12)(b)(ii), each completed extracurricular activity under subsection (12)(a) may be counted as one-sixteenth enrollment for the individual, but under this subsection (12) the individual may not be counted as more than one full-time enrollment for ANB purposes.

(ii) Each completed extracurricular activity lasting longer than 18 weeks may be counted as one-eighth enrollment.

(c) For the purposes of this section, "extracurricular activity" means:

- (i) a sport or activity sanctioned by an organization having jurisdiction over interscholastic activities, contests, and tournaments;
- (ii) an approved career and technical student organization, pursuant to 20-7-306; or
- (iii) a school theater production.

(13) (a) For an elementary or high school district that has been in existence for 3 years or more, the

1 district's maximum general fund budget and BASE budget for the ensuing school fiscal year must be calculated  
2 using the current year ANB for all budget units or the 3-year average ANB for all budget units, whichever  
3 generates the greatest maximum general fund budget.

4 (b) For a K-12 district that has been in existence for 3 years or more, the district's maximum  
5 general fund budget and BASE budget for the ensuing school fiscal year must be calculated separately for the  
6 elementary and high school programs pursuant to subsection (13)(a) and then combined.

7 (14) The term "3-year ANB" means an average ANB over the most recent 3-year period, calculated  
8 by:

9 (a) adding the ANB for the budget unit for the ensuing school fiscal year to the ANB for each of the  
10 previous 2 school fiscal years; and

11 (b) dividing the sum calculated under subsection (14)(a) by three."  
12

13 **NEW SECTION. Section 5. Transition.** The legislature intends that students with disabilities ages 19  
14 to 22 served by school districts in the school year ending June 30, 2027, are included in enrollment counts for  
15 that school year for the purpose of ANB calculations.  
16

17 **NEW SECTION. Section 6. Effective date.** [This act] is effective on passage and approval.  
18

- END -

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

2 INTRODUCED BY \*\*\*\*

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

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING SCHOOL FINANCE LAWS; UPDATING  
6 STATUTE WITH TRANSPORTATION REIMBURSEMENT RATES CALCULATED BY THE OFFICE OF  
7 PUBLIC INSTRUCTION FOLLOWING THE CONCLUSION OF THE 2025 LEGISLATIVE SESSION AS  
8 DIRECTED BY LAW; UPDATING STATUTE WITH THE NEW GUARANTEED TAX BASE MULTIPLIER  
9 CALCULATED BY THE OFFICE OF PUBLIC INSTRUCTION TO TAKE EFFECT IN FISCAL YEAR 2027 AS  
10 DIRECTED BY LAW; AMENDING SECTIONS 20-9-366 AND 20-10-141, MCA."  
11

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

14 **Section 1.** Section 20-9-366, MCA, is amended to read:

15 **"20-9-366. (Temporary) Definitions.** Subject to adjustments pursuant to 20-9-336, as used in 20-9-  
16 366 through 20-9-371, the following definitions apply:

17 (1) "County retirement mill value per elementary ANB" or "county retirement mill value per high  
18 school ANB" means the sum of the taxable valuation in the previous year of all property in the county divided by  
19 1,000, with the quotient divided by the total county elementary ANB count or the total county high school ANB  
20 count used to calculate the elementary school districts' and high school districts' prior year total per-ANB  
21 entitlement amounts.

22 (2) (a) "District guaranteed tax base ratio" for guaranteed tax base funding for the BASE budget of  
23 an eligible district means the taxable valuation in the previous year of all property in the district, except for  
24 property value disregarded because of protested taxes under 15-1-409(2) or property subject to the creation of  
25 a new school district under 20-6-326, divided by the district's prior year GTBA budget area.

26 (b) "District mill value per ANB", for school facility entitlement purposes, means the taxable  
27 valuation in the previous year of all property in the district, except for property subject to the creation of a new  
28 school district under 20-6-326, divided by 1,000, with the quotient divided by the ANB count of the district used

to calculate the district's prior year total per-ANB entitlement amount.

(3) "Facility guaranteed mill value per ANB", for school facility entitlement guaranteed tax base purposes, means the sum of the taxable valuation in the previous year of all property in the state, multiplied by 140% and divided by 1,000, with the quotient divided by the total state elementary ANB count or the total state high school ANB count used to calculate the elementary school districts' and high school districts' prior year total per-ANB entitlement amounts.

(4) "Guaranteed tax base aid budget area" or "GTBA budget area" means the portion of a district's BASE budget after the following payments are subtracted:

- (a) direct state aid;
- (b) the total data-for-achievement payment;
- (c) the total quality educator and qualified staff payment;
- (d) the total at-risk student payment;
- (e) the total Indian education for all payment;
- (f) the total American Indian achievement gap payment; and
- (g) the state special education allowable cost payment.

(5) (a) "Statewide elementary guaranteed tax base ratio" or "statewide high school guaranteed tax base ratio", for guaranteed tax base funding for the BASE budget of an eligible district, means, subject to adjustment under 20-9-336 and 20-9-365, the sum of the taxable valuation in the previous year of all property in the state, multiplied by 262%, subject to adjustment by the superintendent of public instruction pursuant to section 20, Chapter 658, Laws of 2025, for fiscal year 2026 and by 262% for fiscal year 2027 and each succeeding fiscal year and divided by the prior year statewide GTBA budget area for the state elementary school districts or the state high school districts.

(b) "Statewide mill value per elementary ANB" or "statewide mill value per high school ANB", for school retirement guaranteed tax base purposes, means, subject to adjustment under 20-9-336 and 20-9-365, the sum of the taxable valuation in the previous year of all property in the state, multiplied by 189%, subject to adjustment by the superintendent of public instruction pursuant to section 20, Chapter 658, Laws of 2025, for fiscal year 2026 and 189% for fiscal year 2027 and each succeeding fiscal year and divided by 1,000, with the quotient divided by the total state elementary ANB count or the total state high school ANB amount used to

1 calculate the elementary school districts' and high school districts' prior year total per-ANB entitlement amounts.  
2 (Terminates June 30, 2026--sec. 30, Ch. 424, L. 2025.)

3 **20-9-366. (Effective July 1, 2026) Definitions.** Subject to adjustments pursuant to 20-9-336, as used  
4 in 20-9-366 through 20-9-371 the following definitions apply:

5 (1) (a) "County elementary guaranteed tax base ratio" or "county high school guaranteed tax base  
6 ratio" for guaranteed tax base funding for the countywide levy for BASE funding support of an eligible county  
7 means the taxable valuation in the previous year of all property in the county, divided by the sum of the prior  
8 year GTBA budget areas of the elementary school districts or the high school districts in the county. The GTBA  
9 budget areas for joint districts must be prorated to each county in which a part of the district is located in the  
10 same proportion as the district ANB of the joint district is distributed by pupil residence in each county.

11 (b) "District mill value per ANB", for school facility entitlement purposes, means the taxable  
12 valuation in the previous year of all property in the district, except for property subject to the creation of a new  
13 school district under 20-6-326, divided by 1,000, with the quotient divided by the ANB count of the district used  
14 to calculate the district's prior year total per-ANB entitlement amount.

15 (2) "County retirement mill value per elementary ANB" or "county retirement mill value per high  
16 school ANB" means the sum of the taxable valuation in the previous year of all property in the county divided by  
17 1,000, with the quotient divided by the total county elementary ANB count or the total county high school ANB  
18 count used to calculate the elementary school districts' and high school districts' prior year total per-ANB  
19 entitlement amounts.

20 (3) "Facility guaranteed mill value per ANB", for school facility entitlement guaranteed tax base  
21 purposes, means the sum of the taxable valuation in the previous year of all property in the state, multiplied by  
22 140% and divided by 1,000, with the quotient divided by the total state elementary ANB count or the total state  
23 high school ANB count used to calculate the elementary school districts' and high school districts' prior year  
24 total per-ANB entitlement amounts.

25 (4) "Guaranteed tax base aid budget area" or "GTBA budget area" means the portion of a district's  
26 BASE budget after BASE aid is subtracted.

27 (5) (a) "Statewide elementary guaranteed tax base ratio" or "statewide high school guaranteed tax  
28 base ratio", for guaranteed tax base funding for the countywide levy for BASE funding support, means, subject

to adjustment under 20-9-336 and 20-9-365, the sum of the taxable valuation in the previous year of all property in the state, multiplied ~~by the percentage determined under section 25, Chapter 424, Laws of 2025, 299%~~ for fiscal year 2027 and each succeeding fiscal year and divided by the prior year statewide GTBA budget area for the state elementary school districts or the state high school districts.

(b) "Statewide mill value per elementary ANB" or "statewide mill value per high school ANB", for school retirement guaranteed tax base purposes, means, subject to adjustment under 20-9-336 and 20-9-365, the sum of the taxable valuation in the previous year of all property in the state, multiplied by 189% and divided by 1,000, with the quotient divided by the total state elementary ANB count or the total state high school ANB amount used to calculate the elementary school districts' and high school districts' prior year total per-ANB entitlement amounts."

**Section 2.** Section 20-10-141, MCA, is amended to read:

**"20-10-141. Schedule of maximum reimbursement by mileage rates.** (1) The mileage rates in subsection (2) for school transportation constitute the maximum reimbursement to districts for school transportation from state and county sources of transportation revenue under the provisions of 20-10-145 and 20-10-146. These rates may not limit the amount that a district may budget in its transportation fund budget in order to provide for the estimated and necessary cost of school transportation during the ensuing school fiscal year. All bus miles traveled on bus routes approved by the county transportation committee are reimbursable. Nonbus mileage is reimbursable for a vehicle driven by a bus driver to and from an overnight location of a school bus when the location is more than 10 miles from the school. A district may approve additional bus or nonbus miles within its own district or approved service area but may not claim reimbursement for the mileage. Any vehicle, the operation of which is reimbursed for bus mileage under the rate provisions of this schedule, must be a school bus, as defined by this title, driven by a qualified driver on a bus route approved by the county transportation committee and the superintendent of public instruction.

(2) ~~Subject to adjustment by the superintendent of public instruction pursuant to section 20, Chapter 658, Laws of 2025:~~

(a) ~~the~~The rate for each bus mile traveled must be determined in accordance with the following schedule:

- 1 (i) ~~50.83~~ cents for a school bus as defined in 20-10-101(5)(a)(ii);
- 2 (ii) ~~95 cents~~ \$1.57 for a school bus with a rated capacity of not more than 49 passenger seating
- 3 positions;
- 4 (iii) ~~\$1.15~~ \$1.90 for a school bus with a rated capacity of 50 to 59 passenger seating positions;
- 5 (iv) ~~\$1.36~~ \$2.24 for a school bus with a rated capacity of 60 to 69 passenger seating positions;
- 6 (v) ~~\$1.57~~ \$2.59 for a school bus with a rated capacity of 70 to 79 passenger seating positions; and
- 7 (vi) ~~\$1.80~~ \$2.97 for a school bus with 80 or more passenger seating positions.
- 8 (b) Nonbus mileage, as provided in subsection (1), must be reimbursed at a rate of ~~50.83~~ cents a
- 9 mile.
- 10 (3) The rated capacity is the number of passenger seating positions of a school bus as determined
- 11 under the policy adopted by the board of public education. If modification of a school bus to accommodate
- 12 pupils with disabilities reduces the rated capacity of the bus, the reimbursement to a district for pupil
- 13 transportation is based on the rated capacity of the bus prior to modification.
- 14 (4) The number of pupils riding the school bus may not exceed the passenger seating positions of
- 15 the bus."

- END -

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

2                               INTRODUCED BY \*\*\*\*

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

4  
5   A BILL FOR AN ACT ENTITLED: "AN ACT REVISING SCHOOL FUNDING LAWS RELATED TO ADVANCED  
6   OPPORTUNITIES; MODIFYING THE DISTRIBUTION OF ADVANCED OPPORTUNITY AID IN THE EVENT  
7   THAT A SUPPLEMENTAL APPROPRIATION IS NEEDED TO FULLY FUND THE DISTRIBUTION;  
8   AMENDING SECTION 20-7-1506, MCA."

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

11  
12       **Section 1.** Section 20-7-1506, MCA, is amended to read:

13       **"20-7-1506. Incentives for creation of advanced opportunity programs.** (1) A district that satisfies  
14   the conditions of subsection (2) and is qualified by the board of public education pursuant to subsection (3) is  
15   eligible for the funding and flexibilities in subsections (4) and (5).

16       (2)     (a) To qualify for the funding and flexibilities in subsections (4) and (5), the board of trustees of  
17   a district shall submit an application that has been approved by motion of the board and signed by the presiding  
18   officer to the board of public education for approval of an advanced opportunity program on a form provided by  
19   the superintendent of public instruction.

20       (b)     The school board's application must include a strategic plan with appropriate planning horizons  
21   for implementation, measurable objectives to ensure accountability, and planned strategies to:

22       (i)     develop an advanced opportunity plan for each participating pupil from grades 6 through 12  
23   that fosters individualized pathways for career and postsecondary educational opportunities and that honors  
24   individual interests, passions, strengths, needs, and culture and is supported through relationships among  
25   teachers, family, peers, the business community, postsecondary education officials, and other community  
26   stakeholders;

27       (ii)    embed community-based, experiential, online, and work-based learning opportunities and  
28   foster a learning environment that incorporates both face-to-face and virtual connections; and

(iii) ensure equality of educational opportunity to participate by all qualifying pupils of the district.

(3) The board of public education shall:

(a) establish the opening and closing dates for receipt of applications and annual reports;

(b) no later than January 31, qualify for the subsequent school year nonparticipating districts that submit an application meeting the requirements of subsection (2) for the funding in subsection (4) and the flexibilities in subsection (5);

(c) no later than January 31, requalify for the subsequent school year participating districts that submit an annual report demonstrating continued qualification for funding under this section and including a report of progress toward measurable objectives under the district's advanced opportunity plan and any updates to the plan; and

(d) on or before September 15 of even-numbered years, report to the education interim committee pursuant to 5-11-210 on the progress made by districts operating under approved advanced opportunity plans. The report must address, at a minimum:

(i) the number of pupils benefiting from advanced opportunity aid;

(ii) the number and type of credits and certifications or credentials earned by pupils that have been paid for by the program;

(iii) projected growth in the program and funding needs for the next biennium; and

(iv) any issues with the program reported by pupils, parents, districts, postsecondary institutions, or examination administrators and how these issues are being addressed and whether the issues require legislative action.

(4) The superintendent of public instruction shall provide advanced opportunity aid to each district qualified by the board of public education under subsection (3) by October 1, except as provided in subsection (7) of this section. The aid under this section must be distributed directly to the school district's flexibility fund under 20-9-543.

(5) Advanced opportunity aid may be expended on any qualifying pupil by the district subject to the following conditions:

(a) at least 75% of a district's annual distribution of advanced opportunity aid must be spent or encumbered to address out-of-pocket costs that would otherwise, in the absence of such expenditure, be

assumed by a qualifying pupil or the pupil's family as a result of participation in an advanced opportunity. The trustees have full discretion to allocate expenditures among all pupils of the district or any select group of pupils, using any reasonable method they consider appropriate in their full discretion to meet the individual needs of each pupil who pursues an advanced opportunity. The trustees may create free district initiatives of their own that satisfy the conditions of this subsection (5)(a). Permissible expenditures include but are not limited to:

- (i) dual credit tuition at any institution under authority of the board of regents;
- (ii) exam fees used for postsecondary advancement, placement, or credit, including but not limited to exam fees associated with the ACT, SAT, CLEP, career advancement, international baccalaureate, and advanced placement;
- (iii) fees charged by and any out-of-pocket costs of any business providing work-based learning opportunities to a qualifying pupil of the district, including the cost of workers' compensation insurance for work-based learning opportunities;
- (iv) exam and other fees of any industry-recognized credential or license for which a qualifying pupil is eligible as a result of participation in an advanced opportunity;
- (v) the costs of participation for qualifying pupils in out-of-school enrichment activities that, in the discretion of the trustees, advance the pupil's opportunity for postsecondary career and educational success;
- and
- (vi) the costs of participation for qualifying pupils that are identified as necessary, in the discretion of the district and upon request of a qualifying pupil, to maximize the benefit of an advanced opportunity for a qualifying pupil;

(b) advanced opportunity aid remaining that is not expended or carried forward for the purposes of subsection (5)(a) may be spent by the district to:

- (i) provide any K-12 career and vocational/technical education course offered by the district; or
- (ii) pay for the costs of employing an advanced opportunity facilitator as defined in 20-7-1503.

(6) A district qualified for funding under subsection (3) may supplement state funding of advanced opportunity aid with matched expenditures from its adopted adult education budget, not to exceed 25% of the district's advanced opportunity aid. The conditions under subsection (5) apply to any matched expenditures

1 funded under this subsection (6).

2 (7) The present law base calculated for K-12 local assistance under Title 17, chapter 7, part 1,  
3 must include advanced opportunity aid in an amount estimated by the office of public instruction to be sufficient  
4 to provide advanced opportunity aid to all districts of the state based on prior demand and expected program  
5 growth. Any shortfalls must be addressed in the same manner as funding of deficiencies in BASE aid under 20-  
6 9-351. In the event of a shortfall, the superintendent of public instruction shall prorate the distribution made by  
7 October 1 under subsection (4) of this section and complete the distribution based on legislative appropriation  
8 by June 1 of the same school fiscal year."

9 - END -

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

2 INTRODUCED BY \*\*\*\*

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

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING SCHOOL FUNDING LAWS TO IMPROVE THE  
6 CONSISTENCY AND CLARITY OF TERMINOLOGY; REPLACING THE PHRASE "CASH BALANCE" WITH  
7 THE MORE COMMON AND UNDERSTOOD "FUND BALANCE"; AMENDING SECTIONS 20-9-506 AND 20-9-  
8 509, MCA."

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

11  
12 **Section 1.** Section 20-9-506, MCA, is amended to read:

13 **"20-9-506. Budgeting and net levy requirement for nonoperating fund.** (1) The trustees of any  
14 district that does not operate a school or will not operate a school during the ensuing school fiscal year shall  
15 adopt a nonoperating school district budget in accordance with the school budgeting provisions of this title. The  
16 nonoperating budget must contain the nonoperating fund and, when appropriate, a debt service fund. The  
17 nonoperating budget form must be promulgated and distributed by the superintendent of public instruction  
18 under the provisions of 20-9-103.

19 (2) After the adoption of a final budget for the nonoperating fund, the county superintendent shall  
20 compute the net levy requirement for the fund by subtracting from the amount authorized by the budget the sum  
21 of:

22 (a) the end-of-the-year cash-fund balance of the nonoperating fund or, if it is the first year of  
23 nonoperation, the cash-fund balance determined under the transfer provisions of 20-9-505;

24 (b) the estimated state and county transportation reimbursements; and

25 (c) any other money that may become available during the ensuing school fiscal year.

26 (3) The county superintendent shall report the net nonoperating fund levy requirement and any net  
27 debt service fund levy requirement determined under the provisions of 20-9-439 to the county commissioners  
28 on or before the later of the first Tuesday in September or within 30 calendar days after receiving certified

1 taxable values, and the county commissioners shall impose the required levies on the district in accordance  
2 with 20-9-142."

3  
4 **Section 2.** Section 20-9-509, MCA, is amended to read:

5 **"20-9-509. Lease or rental agreement fund.** (1) The trustees of any district that provides pupil or  
6 teacher housing in district-owned buildings under a lease or rental agreement with pupils or teachers or  
7 receives money under the provision of 20-6-607 may establish a lease or rental agreement fund. All money  
8 received from the lease or rental agreements may be deposited with the county treasurer to the credit of the  
9 lease or rental agreement fund, general fund, the debt service fund, or any other appropriate fund. Whenever  
10 the end-of-the-year cash-fund balance of a lease or rental agreement fund is more than \$10,000 for an  
11 elementary or high school district or \$20,000 for a K-12 district, the cash-fund balance in excess of this limit  
12 must be transferred to the general fund of the district.

13 (2) Any expenditure of money from a lease or rental agreement fund must be made for the  
14 maintenance and operation of the district-owned buildings to which the lease or rental agreements apply or for  
15 the acquisition of additional housing or dormitory facilities. The financial administration of the lease or rental  
16 agreement fund must be in accordance with the financial administration provisions of this title for a  
17 nonbudgeted fund."

18 - END -

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

2                               INTRODUCED BY \*\*\*\*

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

4  
5   A BILL FOR AN ACT ENTITLED: "AN ACT REVISING SCHOOL FUNDING LAWS TO REMOVE THE  
6   REQUIREMENT THAT THE SUPERINTENDENT PROVIDE DISTRICTS WITH PRINTED BUDGET FORMS;  
7   AMENDING SECTION 20-9-103, MCA."

8  
9   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10  
11       **Section 1.** Section 20-9-103, MCA, is amended to read:

12       **"20-9-103. School budget form.** (1) The format of the school budget form shall be prescribed by the  
13   superintendent of public instruction and shall provide for proper school budgeting procedures in accordance  
14   with the budgeting requirements of this title and generally accepted accounting principles. ~~The superintendent~~  
15   ~~of public instruction shall cause a sufficient number of the budget forms to be printed for use by all districts for~~  
16   ~~each school fiscal year.~~

17       (2) Each district shall use the budget forms prescribed by the superintendent of public instruction,  
18   except that a district may in addition, with the approval of the superintendent of public instruction, use a more  
19   detailed form."

20                               - END -

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

2 INTRODUCED BY \*\*\*\*

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

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE DEFUNCT MONTANA EDUCATIONAL  
6 TELECOMMUNICATIONS NETWORK; REPEALING SECTIONS 20-32-101, 20-32-102, 20-32-103, AND 20-  
7 32-104, MCA."

8  
9 WHEREAS, newer technologies and programs such as the Montana Digital Academy have eliminated  
10 the need for the Montana Educational Telecommunications Network (METNET); and

11 WHEREAS, the Network has not been operational for a number of years.

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

14  
15 NEW SECTION. **Section 1. Repealer.** The following sections of the Montana Code Annotated are  
16 repealed:

17 20-32-101. Purpose -- definition.

18 20-32-102. Agency cooperation -- responsibilities.

19 20-32-103. Fee collection and disposition for operational costs.

20 20-32-104. Apportionment of costs.

21  
22  
23 - END -

## **METNET STATUTES from Title 20, chapter 32, MCA**

Preamble: The preamble attached to Ch. 622, L. 1991, provided:

"WHEREAS, the school funding reform legislation in House Bill No. 28 (Chapter 11), Special Laws of June 1989, promotes the use of telecommunications technology for the purpose of enhancing the equal educational opportunities provided to students in the Montana public school system; and

WHEREAS, the Department of Administration, the Superintendent of Public Instruction, and the Montana University System, with the assistance of private consulting services and other private and public entities, have followed the directive in House Bill No. 28 and have completed the needs assessment and network design for improvements in the Montana education system through telecommunications technology; and

WHEREAS, Montana's future depends on the ability to provide quality educational opportunities and on the ability to train and retrain the state's work force, regardless of location in the state; and

WHEREAS, telecommunications can contribute to equal educational opportunity for all Montanans through improved access to a wide range of educational needs, such as specialized coursework in languages, mathematics, and the sciences, college credit coursework, adult education, teacher inservice training, and preparation for professional recertification; and

WHEREAS, by both past actions and future commitments, the private sector has demonstrated its willingness to share in the funding for development and enhancement of an educational telecommunications network in Montana."

**20-32-101. Purpose — definition.** (1) The purpose of this part is to establish a Montana educational telecommunications network.

(2) For the purposes of this part, "network" means the Montana educational telecommunications network (METNET).

(3) The aims of the network are to provide:

(a) instructional and educational coursework and materials through telecommunications delivery to students in kindergarten through 12th grade in the Montana public school system;

(b) instructional and educational coursework and materials through telecommunications delivery to students enrolled in units of the Montana university system and the community colleges;

(c) instructional and professional development or other appropriate inservice training for teachers in the schools of the state; and

(d) telecommunications capabilities to agencies, subdivisions of state government, and public libraries in order to improve their ability to perform their responsibilities and duties.

**20-32-102. Agency cooperation — responsibilities.** (1) To meet the objectives of the network, the following entities shall cooperate with one another:

(a) the department of administration, with its responsibilities for telecommunications for agencies of state government;

(b) the superintendent of public instruction, with a supervisory role over the public system of elementary and high schools; and

(c) the commissioner of higher education, with responsibilities to the Montana university system and the community colleges.

(2) The responsibilities of the superintendent of public instruction to the network include but are not limited to:

(a) general supervision of delivery of educational materials through telecommunications to elementary and high school districts in the state;

(b) compilation, maintenance, and dissemination to participating school districts of information that identifies the educational programming available from within and from outside the state;

(c) training of teachers and other school personnel in the use of telecommunications technologies for instructional purposes;

(d) assistance to school districts in identifying and procuring the telecommunications technologies needed to interface with the network;

(e) identification of production capability for telecommunication of educational materials;

(f) assistance to participating school districts with group purchases of instructional and educational materials;

(g) coordination with the commissioner of higher education and the units of the Montana university system to offer advanced placement courses, teacher inservice training, and other instruction through the network;

(h) payment of the superintendent's share of the network costs to the department of administration, as provided in 20-32-104;

(i) coordination with the department of administration to ensure compatibility of network components, to minimize duplication of efforts on behalf of the network, and to maximize use of the network by school districts; and

(j) determination of kinds of equipment, inservice, and district accounting necessary to implement the provisions of this part for school districts.

(3) The responsibilities of the department of administration to the network include but are not limited to:

(a) provision of technical support to the coordinating agencies referred to in subsection (1);

(b) development of standards of compatibility for the network;

(c) procurement and management of network equipment and facilities that have shared use by multiple users or agencies;

(d) assistance with procurement, installation, maintenance, and operation of end-terminal equipment and facilities of the network;

(e) minimizing any duplication of equipment and facilities within the network and in conjunction with the department of administration's other networking capabilities;

(f) coordination of use of the network by state agencies, subdivisions of the state, and public libraries in a manner that does not interfere with the delivery of the primary

network function of providing educational services to school districts and state units of higher education;

(g) studying the use of the network by Native American tribal colleges and other nonpublic education institutions in the state, with the long-range goal of coordinating the use of the network with those entities; and

(h) maintenance of cost and usage records and a billing system for user agencies for services rendered that incur marginal costs for the network.

(4) The responsibilities of the commissioner of higher education to the network include but are not limited to:

(a) coordination of the use of the network among the units of higher education and with the superintendent of public instruction and the department of administration;

(b) assistance to the units of the Montana university system to provide college credit courses through the network to students throughout the state;

(c) coordination with the superintendent of public instruction to develop advance placement courses for high school students in Montana, teacher inservice training, and other services and instruction through the network;

(d) assistance to the units of the Montana university system and the community colleges in defining their specific needs for interfacing with the network;

(e) assistance to participating units, centers, and colleges with group purchases of instructional and educational materials; and

(f) determination of the kinds of equipment, inservice, and accounting necessary to implement the provisions of this part for the university system and community colleges.

**20-32-103.** Fee collection and disposition for operational costs. As a condition of participation in the network, the Montana university system and community colleges shall collect from appropriate discretionary funds in a manner approved by the board of regents an amount not to exceed \$5 for each full-time equivalent student enrolled in the units or colleges. The funds collected must be deposited with the commissioner of higher education for the purposes of 20-32-102(4). The commissioner of higher education shall pay the department of administration the commissioner's share of the network costs.

**20-32-104. Apportionment of costs.** The superintendent of public instruction and the commissioner of higher education shall share on a prorated basis according to the related student counts any costs incurred by the department of administration for the purposes of 20-32-102(3).