

1 SENATE BILL NO. 10

2 INTRODUCED BY S. O'BRIEN

3 BY REQUEST OF THE EDUCATION INTERIM COMMITTEE
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING SCHOOL FUNDING LAWS; REMOVING
6 REFERENCES TO AN ADDITIONAL LEVY FOR THE DISTRICT GENERAL FUND; CLARIFYING TRUSTEES'
7 AUTHORITY RELATED TO ACQUIRING OR DISPOSING OF SITES AND BUILDINGS; REVISING THE
8 DEFINITION OF "OVER-BASE BUDGET LEVY"; AMENDING SECTIONS 20-3-324, 20-6-603, 20-6-621, 20-9-
9 104, 20-9-141, 20-9-306, 20-9-353, AND 20-20-105, MCA; AND PROVIDING AN EFFECTIVE DATE."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12

13 **Section 1.** Section 20-3-324, MCA, is amended to read:

14 **"20-3-324. Powers and duties.** As prescribed elsewhere in this title, the trustees of a district shall
15 exercise supervision and control of the schools of the district in providing its educational program pursuant to
16 Article X, section 8, of the Montana constitution, and shall:

17 (1) employ or dismiss a teacher, principal, or other assistant upon the recommendation of the
18 district superintendent, the county high school principal, or other principal as the board considers necessary,
19 accepting or rejecting any recommendation as the trustees in their sole discretion determine, in accordance
20 with the provisions of Title 20, chapter 4;

21 (2) employ and dismiss administrative personnel, clerks, secretaries, teacher's aides, custodians,
22 maintenance personnel, school bus drivers, food service personnel, nurses, and any other personnel
23 considered necessary to carry out the various services of the district;

24 (3) administer the attendance and tuition provisions and govern the pupils of the district in
25 accordance with the provisions of the pupils chapter of this title;

26 (4) call, conduct, and certify the elections of the district in accordance with the provisions of the
27 school elections chapter of this title;

28 (5) participate in the teachers' retirement system of the state of Montana in accordance with the

- 1 provisions of the teachers' retirement system chapter of Title 19;
- 2 (6) participate in district boundary change actions in accordance with the provisions of the school
3 districts chapter of this title;
- 4 (7) organize, open, close, or acquire isolation status for the schools of the district in accordance
5 with the provisions of the school organization part of this title;
- 6 (8) adopt and administer the annual budget or a budget amendment of the district in accordance
7 with the provisions of the school budget system part of this title;
- 8 (9) conduct the fiscal business of the district in accordance with the provisions of the school
9 financial administration part of this title;
- 10 (10) establish the ANB, BASE budget levy, over-BASE budget levy, ~~additional levy, and~~ operating
11 ~~reserve, and state impact aid~~ amounts for the general fund of the district in accordance with the provisions of
12 the general fund part of this title;
- 13 (11) establish, maintain, budget, and finance the transportation program of the district in accordance
14 with the provisions of the transportation parts of this title;
- 15 (12) issue, refund, sell, budget, and redeem the bonds of the district in accordance with the
16 provisions of the bonds parts of this title;
- 17 (13) when applicable, establish, financially administer, and budget for the tuition fund, retirement
18 fund, building reserve fund, adult education fund, nonoperating fund, school food services fund, miscellaneous
19 programs fund, building fund, lease or rental agreement fund, traffic education fund, impact aid fund, interlocal
20 cooperative fund, and other funds as authorized by the state superintendent of public instruction in accordance
21 with the provisions of the other school funds parts of this title;
- 22 (14) when applicable, administer any interlocal cooperative agreement, gifts, legacies, or devises in
23 accordance with the provisions of the miscellaneous financial parts of this title;
- 24 (15) hold in trust, acquire, and dispose of the real and personal property of the district in accordance
25 with the provisions of the school sites and facilities part of this title;
- 26 (16) operate the schools of the district in accordance with the provisions of the school calendar part
27 of this title;
- 28 (17) set the length of the school term, school day, and school week in accordance with 20-1-302;

1 (18) establish and maintain the educational program of the schools of the district in accordance with
2 the provisions of the instructional services, textbooks, K-12 career and vocational/technical education, and
3 special education parts of this title. In undertaking its duties related to the district's educational program, the
4 board of trustees may:

5 (a) waive any specific course requirement otherwise required for graduation based on individual
6 student needs and performance levels, age, maturity, interest, and aspirations of the pupil, in consultation with
7 the pupil's parents or guardians; and

8 (b) provide credit for a course satisfactorily completed in a period of time shorter or longer than
9 normally required as set forth in 20-9-311(4)(d) or through content proficiency gained through alternative
10 means. Examples of alternative means by which content proficiency may be achieved include but are not
11 limited to correspondence, extension, and distance learning courses, adult education, summer school, work
12 study, work-based learning partnerships, and other experiential learning opportunities, custom-designed
13 courses, and challenges to current courses. Montana schools shall accept units of credit taken with the
14 approval of the accredited Montana school in which the student was then enrolled and which appear on the
15 student's official school transcript.

16 (19) establish and maintain the school food services of the district in accordance with the provisions
17 of the school food services parts of this title;

18 (20) make reports from time to time as the county superintendent, superintendent of public
19 instruction, and board of public education may require;

20 (21) retain, when considered advisable, a physician or registered nurse to inspect the sanitary
21 conditions of the school or the general health conditions of each pupil and, upon request, make available to any
22 parent or guardian any medical reports or health records maintained by the district pertaining to the child;

23 (22) for each member of the trustees, visit each school of the district not less than once each school
24 fiscal year to examine its management, conditions, and needs, except that trustees from a first-class school
25 district may share the responsibility for visiting each school in the district;

26 (23) procure and display outside daily in suitable weather on school days at each school of the
27 district an American flag representing the United States and manufactured in the United States that measures
28 not less than 3 feet by 5 feet;

1 (24) provide that an American flag representing the United States and manufactured in the United
2 States that measures at least 16 inches by 24 inches be prominently displayed in each classroom in each
3 school of the district no later than the beginning of the school year, except in a classroom in which the flag may
4 get soiled. Districts are encouraged to work with military organizations and civic groups to acquire flags through
5 donation, and this requirement is waived if the flags are not provided by a military organization or civic group.

6 (25) for grades 7 through 12, provide that legible copies of the United States constitution, the United
7 States bill of rights, and the Montana constitution printed in the United States or in electronic form are readily
8 available in every classroom no later than the beginning of the school year. Districts are encouraged to work
9 with civic groups to acquire the documents through donation, and this requirement is waived if the documents
10 are not provided by a civic group.

11 (26) adopt and administer a district policy on assessment for placement of any child who enrolls in a
12 school of the district from a nonpublic school that is not accredited, as required in 20-5-110;

13 (27) upon request and in compliance with confidentiality requirements of state and federal law,
14 disclose to interested parties school district student assessment data for any test required by the board of
15 public education;

16 (28) consider and may enter into an interlocal agreement with a postsecondary institution, as
17 defined in 20-9-706, that authorizes 11th and 12th grade students to obtain credits through classes available
18 only at a postsecondary institution;

19 (29) approve or disapprove the conduct of school on a Saturday in accordance with the provisions
20 of 20-1-303; and

21 (30) perform any other duty and enforce any other requirements for the governance of the schools
22 pursuant to the constitutional power of supervision and control of schools vested in elected school boards
23 pursuant to Article X, section 8, of the Montana constitution as prescribed by this title, the policies of the board
24 of public education, or the rules of the superintendent of public instruction. "

25

26 **Section 2.** Section 20-6-603, MCA, is amended to read:

27 **"20-6-603. Trustees' authority to acquire or dispose of sites and buildings -- when election**
28 **required.** (1) The trustees of a district may purchase, build, exchange, or otherwise acquire, sell, or dispose of

1 sites and buildings of the district. ~~Action~~ ~~Except as provided in 20-6-604 and 20-6-621, action~~ may not be taken
 2 by the trustees without the approval of the qualified electors of the district at an election called for the purpose
 3 of approval unless:

4 (a) a bond issue has been authorized for the purpose of constructing, purchasing, or acquiring the
 5 site or building;

6 ~~(b) an additional levy under the provisions of 20-9-353 has been approved for the purpose of~~
 7 ~~constructing, purchasing, or acquiring the site or building;~~

8 ~~(c)~~(b) the cost of constructing, purchasing, or acquiring the site or building is financed without
 9 exceeding the maximum general fund budget amount for the district and, in the case of a site purchase, the site
 10 has been approved under the provisions of 20-6-621; or

11 ~~(d)~~(c) money is otherwise available under the provisions of this title and the ballot for the site
 12 approval for the building incorporated a description of the building to be located on the site.

13 (2) Except for land that is granted to or held by the state in trust or land acquired by conditional
 14 deed under the provisions of 20-6-605, the trustees may, upon approval by the electorate, accept as partial or
 15 total consideration for the exchange of the land a binding written agreement by a public or private entity seeking
 16 the exchange to use the property to provide a service that benefits the school district. The deed for the
 17 exchange of land must contain reversionary clauses that allow for the return of the land to school district
 18 ownership if the binding written agreement is not complied with.

19 (3) When an election is conducted under the provisions of this section, it must be called under the
 20 provisions of 20-20-201 and must be conducted in the manner prescribed by this title for school elections. An
 21 elector qualified to vote under the provisions of 20-20-301 may vote in the election. If a majority of those
 22 electors voting at the election approve the proposed action, the trustees may take the proposed action."
 23

24 **Section 3.** Section 20-6-621, MCA, is amended to read:

25 **"20-6-621. Selection of school sites – approval election.** (1) (a) Except as provided in subsection
 26 (1)(b), the trustees of a district may select the sites for school buildings or for other school purposes, but the
 27 selection must first be approved by the qualified electors of the district before a contract for the purchase of a
 28 site is entered into by the trustees.

1 (b) The trustees may purchase or otherwise acquire property contiguous to an existing site that is
 2 in use for school purposes without a site approval election. The trustees may take an option on a site prior to
 3 the site approval election.

4 (2) The election for the approval of a site must be called under the provisions of 20-20-201 and
 5 must be conducted in the manner prescribed by this title for school elections. An elector who may vote at a
 6 school site election is qualified to vote under the provisions of 20-20-301. If a majority of those voting at the
 7 election approve the site selection, the trustees may purchase the site. A site approval election is not required
 8 when the site was specifically identified in an election at which ~~an additional levy~~ a building reserve levy or the
 9 issuance of bonds was approved for the purchase of the site.

10 (3) Any site for a school building or other building of the district that is selected or purchased by
 11 the trustees must:

12 (a) be in a place that is convenient, accessible, and suitable;

13 (b) comply with the minimum size and other requirements prescribed by the department of public
 14 health and human services; and

15 (c) comply with the statewide building regulations, if any, promulgated by the department of labor
 16 and industry."

17

18 **Section 4.** Section 20-9-104, MCA, is amended to read:

19 **"20-9-104. General fund operating reserve.** (1) At the end of each school fiscal year, the trustees of
 20 each district shall designate the portion of the general fund end-of-the-year fund balance that is to be
 21 earmarked as operating reserve for the purpose of paying general fund warrants issued by the district from July
 22 1 to November 30 of the ensuing school fiscal year. Except as provided in subsections (6) and (7), the amount
 23 of the general fund balance that is earmarked as operating reserve may not exceed 10% of the final general
 24 fund budget for the ensuing school fiscal year.

25 (2) The amount held as operating reserve may not be used for property tax reduction in the
 26 manner permitted by 20-9-141(1)(b) for other receipts.

27 (3) Excess reserves as provided in subsection (6) may be appropriated to reduce the BASE
 28 budget levy, or the over-BASE budget levy, ~~or the additional levy provided by 20-9-353.~~

1 (4) Except as provided in subsection (9), any portion of the general fund end-of-the-year fund
2 balance, including any portion attributable to a tax increment remitted under 7-15-4286(3) or 7-15-4291, that is
3 not reserved under subsection (2) or reappropriated under subsection (3) is fund balance reappropriated and
4 must be used for property tax reduction as provided in 20-9-141(1)(b) up to an amount not exceeding 15% of a
5 school district's maximum general fund budget.

6 (5) Except as provided in subsection (9), any unreserved fund balance in excess of 15% of a
7 school district's maximum general fund budget must be remitted to the state and allocated as follows:

8 (a) 70% of the excess amount must be remitted to the state to be deposited in the guarantee
9 account provided for in 20-9-622; and

10 (b) 30% of the excess amount must be remitted to the school facility and technology account.

11 (6) The limitation of subsection (1) does not apply when the amount in excess of the limitation is
12 equal to or less than the unused balance of any amount:

13 (a) received in settlement of tax payments protested in a prior school fiscal year;

14 (b) received in taxes from a prior school fiscal year as a result of a tax audit by the department of
15 revenue or its agents; or

16 (c) received in delinquent taxes from a prior school fiscal year.

17 (7) The limitation of subsection (1) does not apply when the amount earmarked as operating
18 reserve is \$10,000 or less.

19 (8) Any amounts remitted to the state under subsection (5) are not considered expenditures to be
20 applied against budget authority.

21 (9) Any portion of a tax increment remitted under 7-15-4286(3) or 7-15-4291 and deposited in the
22 district's general fund is not subject to the:

23 (a) 15% fund balance limit provided for in subsection (4); or

24 (b) provisions of subsection (5)."

25

26 **Section 5.** Section 20-9-141, MCA, is amended to read:

27 **"20-9-141. Computation of general fund net levy requirement by county superintendent.** (1) The
28 county superintendent shall compute the levy requirement for each district's general fund on the basis of the

1 following procedure:

2 (a) Determine the funding required for the district's final general fund budget less the sum of direct
3 state aid and the special education allowable cost payment for the district by totaling:

4 (i) the district's nonisolated school BASE budget requirement to be met by a district levy as
5 provided in 20-9-303; and

6 (ii) any general fund budget amount adopted by the trustees of the district under the provisions of
7 20-9-308 and 20-9-353.

8 (b) Determine the money available for the reduction of the property tax on the district for the
9 general fund by totaling:

10 (i) the general fund balance reappropriated, as established under the provisions of 20-9-104;

11 (ii) amounts received in the last fiscal year for which revenue reporting was required for each of
12 the following:

13 (A) interest earned by the investment of general fund cash in accordance with the provisions of 20-
14 9-213(4); and

15 (B) any other revenue received during the school fiscal year that may be used to finance the
16 general fund, excluding any guaranteed tax base aid;

17 (iii) anticipated oil and natural gas production taxes;

18 (iv) pursuant to subsection (4), anticipated revenue from coal gross proceeds under 15-23-703;

19 (v) if applicable, a coal-fired generating unit closure mitigation block grant as provided in 20-9-638;

20 and

21 (vi) any portion of the increment remitted to a school district under 7-15-4286(3) or 7-15-4291 used
22 to reduce the BASE levy budget.

23 (c) Notwithstanding the provisions of subsection (2), subtract the money available to reduce the
24 property tax required to finance the general fund that has been determined in subsection (1)(b) from any
25 general fund budget amount adopted by the trustees of the district, up to the BASE budget amount, to
26 determine the general fund BASE budget levy requirement.

27 (d) Determine the sum of:

28 (i) any amount remaining after the determination in subsection (1)(c);

1 (ii) any portion of the increment remitted to a school district under 7-15-4286(3) or 7-15-4291 used
2 to reduce the over-BASE budget levy; and

3 (iii) any tuition payments for out-of-district pupils to be received under the provisions of 20-5-320
4 through 20-5-324, except the amount of tuition received for a pupil who is a child with a disability in excess of
5 the amount received for a pupil without disabilities, as calculated under 20-5-323(2).

6 (e) Subtract the amount determined in subsection (1)(d) from any additional funding requirement to
7 be met by an over-BASE budget amount, and a district levy as provided in 20-9-303, ~~and any additional~~
8 ~~financing as provided in 20-9-353~~ to determine any additional general fund levy requirements.

9 (2) The county superintendent shall calculate the number of mills to be levied on the taxable
10 property in the district to finance the general fund levy requirement for any amount that does not exceed the
11 BASE budget amount for the district by:

12 (a) dividing the amount determined in subsection (1)(c) by the sum of:

13 (i) the amount of guaranteed tax base aid that the district will receive for each mill levied, as
14 certified by the superintendent of public instruction; and

15 (ii) the current total taxable valuation of the district, as certified by the department of revenue
16 under 15-10-202, divided by 1,000; and

17 (b) if applicable, subtracting the result of dividing any overpayment of the BASE budget levy in the
18 prior year calculated as provided in 20-9-314(6)(b)(ii) that is available for reduction of the district's BASE budget
19 levy by the current total taxable valuation of the district, as certified by the department of revenue under 15-10-
20 202, divided by 1,000.

21 (3) The net general fund levy requirement determined in subsections (1)(c) and (1)(d) must be
22 reported to the county commissioners by the later of the first Tuesday in September or within 30 calendar days
23 after receiving certified taxable values by the county superintendent as the general fund net levy requirement
24 for the district, and a levy must be set by the county commissioners in accordance with 20-9-142.

25 (4) For each school district, the department of revenue shall calculate and report to the county
26 superintendent the amount of revenue anticipated for the ensuing fiscal year from revenue from coal gross
27 proceeds under 15-23-703."

28

1 **Section 6.** Section 20-9-306, MCA, is amended to read:

2 **"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the
3 following definitions apply:

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

5 (2) "BASE aid" means:

6 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement
7 for the general fund budget of a district;

8 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic
9 entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and
10 40% of the special education allowable cost payment;

11 (c) the total quality educator payment;

12 (d) the total at-risk student payment;

13 (e) the total Indian education for all payment;

14 (f) the total American Indian achievement gap payment;

15 (g) the total data-for-achievement payment; and

16 (h) the special education allowable cost payment.

17 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of
18 the basic entitlement, 80% of the total per-ANB entitlement, 100% of the total quality educator payment, 100% of
19 of the total at-risk student payment, 100% of the total Indian education for all payment, 100% of the total
20 American Indian achievement gap payment, 100% of the total data-for-achievement payment, and 140% of the
21 special education allowable cost payment.

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

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

1 321.

2 (6) "Basic entitlement" means:

3 (a) for each high school district:

4 (i) \$326,073 for fiscal year 2022 and \$334,453 for each succeeding fiscal year for school districts
5 with an ANB of 800 or fewer; and

6 (ii) \$326,073 for fiscal year 2022 and \$334,453 for each succeeding fiscal year for school districts
7 with an ANB of more than 800, plus \$16,304 for fiscal year 2022 and \$16,723 for each succeeding fiscal year
8 for each additional 80 ANB over 800;

9 (b) for each elementary school district or K-12 district elementary program without an approved
10 and accredited junior high school, 7th and 8th grade program, or middle school:

11 (i) \$54,344 for fiscal year 2022 and \$55,741 for each succeeding fiscal year for school districts or
12 K-12 district elementary programs with an ANB of 250 or fewer; and

13 (ii) \$54,344 for fiscal year 2022 and \$55,741 for each succeeding fiscal year for school districts or
14 K-12 district elementary programs with an ANB of more than 250, plus \$2,718 for fiscal year 2022 and \$2,788
15 for each succeeding fiscal year for each additional 25 ANB over 250;

16 (c) for each elementary school district or K-12 district elementary program with an approved and
17 accredited junior high school, 7th and 8th grade program, or middle school:

18 (i) for the district's kindergarten through grade 6 elementary program:

19 (A) \$54,344 for fiscal year 2022 and \$55,741 for each succeeding fiscal year for school districts or
20 K-12 district elementary programs with an ANB of 250 or fewer; and

21 (B) \$54,344 for fiscal year 2022 and \$55,741 for each succeeding fiscal year for school districts or
22 K-12 district elementary programs with an ANB of more than 250, plus \$2,718 for fiscal year 2022 and \$2,788
23 for each succeeding fiscal year for each additional 25 ANB over 250; and

24 (ii) for the district's approved and accredited junior high school, 7th and 8th grade programs, or
25 middle school:

26 (A) \$108,690 for fiscal year 2022 and \$111,483 for each succeeding fiscal year for school districts
27 or K-12 district elementary programs with combined grades 7 and 8 with an ANB of 450 or fewer; and

28 (B) \$108,690 for fiscal year 2022 and \$111,483 for each succeeding fiscal year for school districts

1 or K-12 district elementary programs with combined grades 7 and 8 with an ANB of more than 450, plus \$5,434
2 for fiscal year 2022 and \$5,574 for each succeeding fiscal year for each additional 45 ANB over 450.

3 (7) "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to
4 20-9-311.

5 (8) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB
6 entitlement for the general fund budget of a district and funded with state and county equalization aid.

7 (9) "Maximum general fund budget" means a district's general fund budget amount calculated from
8 the basic entitlement for the district, the total per-ANB entitlement for the district, the total quality educator
9 payment, the total at-risk student payment, the total Indian education for all payment, the total American Indian
10 achievement gap payment, the total data-for-achievement payment, and the greater of the district's special
11 education allowable cost payment multiplied by:

12 (a) 175%; or

13 (b) the ratio, expressed as a percentage, of the district's special education allowable cost
14 expenditures to the district's special education allowable cost payment for the fiscal year that is 2 years
15 previous, with a maximum allowable ratio of 200%.

16 (10) "Over-BASE budget levy" means the district levy in support of any general fund amount
17 budgeted that is above the BASE budget and ~~below the maximum general fund budget for a district within the~~
18 general fund budget limits established in 20-9-308 and calculated as provided in 20-9-141.

19 (11) "Total American Indian achievement gap payment" means the payment resulting from
20 multiplying \$223 for fiscal year 2022 and \$229 for each succeeding fiscal year times the number of American
21 Indian students enrolled in the district as provided in 20-9-330.

22 (12) "Total at-risk student payment" means the payment resulting from the distribution of any funds
23 appropriated for the purposes of 20-9-328.

24 (13) "Total data-for-achievement payment" means the payment provided in 20-9-325 resulting from
25 multiplying \$21.73 for fiscal year 2022 and \$22.29 for each succeeding fiscal year by the district's ANB
26 calculated in accordance with 20-9-311.

27 (14) "Total Indian education for all payment" means the payment resulting from multiplying \$22.70
28 for fiscal year 2022 and \$23.28 for each succeeding fiscal year times the ANB of the district or \$100 for each

1 district, whichever is greater, as provided for in 20-9-329.

2 (15) "Total per-ANB entitlement" means the district entitlement resulting from the following
3 calculations and using either the current year ANB or the 3-year ANB provided for in 20-9-311:

4 (a) for a high school district or a K-12 district high school program, a maximum rate of \$7,443 for
5 fiscal year 2022 and \$7,634 for each succeeding fiscal year for the first ANB, decreased at the rate of 50 cents
6 per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess of 800 receiving
7 the same amount of entitlement as the 800th ANB;

8 (b) for an elementary school district or a K-12 district elementary program without an approved and
9 accredited junior high school, 7th and 8th grade program, or middle school, a maximum rate of \$5,813 for fiscal
10 year 2022 and \$5,962 for each succeeding fiscal year for the first ANB, decreased at the rate of 20 cents per
11 ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving
12 the same amount of entitlement as the 1,000th ANB; and

13 (c) for an elementary school district or a K-12 district elementary program with an approved and
14 accredited junior high school, 7th and 8th grade program, or middle school, the sum of:

15 (i) a maximum rate of \$5,813 for fiscal year 2022 and \$5,962 for each succeeding fiscal year for
16 the first ANB for kindergarten through grade 6, decreased at the rate of 20 cents per ANB for each additional
17 ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the
18 1,000th ANB; and

19 (ii) a maximum rate of \$7,443 for fiscal year 2022 and \$7,634 for each succeeding fiscal year for
20 the first ANB for grades 7 and 8, decreased at the rate of 50 cents per ANB for each additional ANB for grades
21 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the
22 800th ANB.

23 (16) "Total quality educator payment" means the payment resulting from multiplying \$3,385 for fiscal
24 year 2022 and \$3,472 for each succeeding fiscal year by the sum of:

25 (a) the number of full-time equivalent educators as provided in 20-9-327; and

26 (b) as provided in 20-9-324, for a school district meeting the legislative goal for competitive base
27 pay of teachers, the number of full-time equivalent teachers that were in the first 3 years of the teacher's
28 teaching career in the previous year.

1 (17) "Total special education allocation" means the state payment distributed pursuant to 20-9-321
 2 that is the greater of the amount resulting from multiplying \$287.93 for fiscal year 2022 and \$286.02 for each
 3 succeeding fiscal year by the statewide current year ANB or the amount of the previous year's total special
 4 education allocation."

5

6 **Section 7.** Section 20-9-353, MCA, is amended to read:

7 **"20-9-353. Additional financing for general fund Over-BASE budget levy -- election for**
 8 **authorization to impose.** (1) The trustees of a district may propose to adopt an over-BASE budget amount for
 9 the district general fund that does not exceed the general fund budget limitations, as provided in 20-9-308. If the
 10 trustees of a district are required to submit to the electors of the district a proposition to finance an increase in
 11 the over-BASE budget amount pursuant to 20-9-308, the trustees shall comply with the provisions of
 12 subsections (2) through (4) of this section.

13 (2) When the trustees of the district propose to adopt an over-BASE budget under subsection (1),
 14 any increase in local property taxes authorized by 20-9-308(4) over revenue previously authorized by the
 15 electors of the district or imposed by the district in any of the previous 5 years must be submitted to a vote of
 16 the qualified electors of the district, as provided in 15-10-425. The trustees are not required to submit to the
 17 qualified electors any increase in state funding of the basic or per-ANB entitlements or of the general fund
 18 payments established in 20-9-327 through 20-9-330 approved by the legislature. When the trustees of a district
 19 determine that a voted amount of financing is required for the general fund budget, the trustees shall submit the
 20 proposition to finance the voted amount to the electors who are qualified under 20-20-301 to vote upon the
 21 proposition. The election must be called and conducted in the manner prescribed by this title for school
 22 elections and must conform to the requirements of 15-10-425. The ballot for the election must conform to the
 23 requirements of 15-10-425.

24 (3) If the proposition ~~on any additional financing~~ for an increase in the over-BASE budget levy for
 25 the general fund is approved by a majority vote of the electors voting at the election, the proposition carries and
 26 the trustees may use any portion or all of the authorized amount in adopting the final general fund budget. The
 27 trustees shall certify any ~~additional~~ over-BASE budget levy amount authorized by the election on the budget
 28 form that is submitted to the county superintendent, and the county commissioners shall levy the authorized

1 number of mills on the taxable value of all taxable property within the district, as prescribed in 20-9-141.

2 (4) All levies adopted under this section must be authorized by the election conducted before
3 August 1 of the school fiscal year for which it is effective.

4 ~~(5) If the trustees of a district are required to submit a proposition to finance an over-BASE budget
5 amount, as allowed by 20-9-308, to the electors of the district, the trustees shall comply with the provisions of
6 subsections (2) through (4) of this section."~~

7

8 **Section 8.** Section 20-20-105, MCA, is amended to read:

9 **"20-20-105. Regular school election day and special school elections -- limitation -- exception.**

10 (1) Except as provided in subsection (5), the first Tuesday after the first Monday in May of each year is the
11 regular school election day.

12 (2) Except as provided in subsections (4) and (5), a proposition requesting ~~additional funding an~~
13 increase in the over-BASE budget levy under 20-9-353 may be submitted to the electors only once each
14 calendar year on the regular school election day.

15 (3) Subject to the provisions of subsection (2), other school elections may be conducted at times
16 determined by the trustees.

17 (4) In the event of an unforeseen emergency occurring on the date scheduled for the funding
18 election pursuant to subsection (2), the district will be allowed to reschedule the election for a different day of
19 the calendar year. As used in this section, "unforeseen emergency" has the meaning provided in 20-3-322(5).

20 (5) In years when the legislature meets in regular session or in a special session that affects
21 school funding, the trustees may order an election on a date other than the regular school election day but prior
22 to August 1 in order for the electors to consider a proposition requesting ~~additional funding an~~ increase in the
23 over-BASE budget levy under 20-9-353."

24

25 **NEW SECTION. Section 9. Effective date.** [This act] is effective July 1, 2023.

26

- END -