

1 biennium plus, in the second year of the applicable biennia, the inflation reconciliation factor calculated under
2 subsection (3) of this section.

3 (3) No later than September 1, 2025, and following the completion of every second regular session
4 of the Montana legislature thereafter, the superintendent of public instruction shall provide a report to the
5 education interim budget committee and the education interim committee in accordance with 5-11-210
6 regarding the educational relevance in the implementation of this section. The report must include:

7 (a) the increase in funding for the BASE aid elements represented in 20-9-306(2)(a) and (2)(c)
8 through 2(h) budgeted to be provided to school districts in the current biennium and provided to school districts
9 in the preceding two bienniums for each fiscal year, which must be reported in both dollar and percentage
10 amounts, with the percentage rounded to the nearest one hundredth;

11 (b) the actual annual inflation measured by the consumer price index for the 6 most recent fiscal
12 years completed at the time of the report; and

13 (c) a cumulative numerical comparison of the compounded difference between the percentages
14 reported in subsections (3)(a) and (3)(b), rounded to the nearest one hundredth. The resulting positive or
15 negative percentage is the inflation reconciliation factor that must be incorporated in the next calculation of
16 present law base for the entitlements measured in subsection (3)(a) for the second year of the biennium to
17 which the present law applies.

18 (4) For the purposes of this section, "consumer price index" means the consumer price index, U.S.
19 city average, all urban consumers, for all items, using the 1982-84 base of 100, as published by the bureau of
20 labor statistics of the U.S. department of labor."

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22 **NEW SECTION. Section 2. Effective date.** [This act] is effective July 1, 2025.

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