

1 _____ BILL NO. _____

2 INTRODUCED BY _____

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATED TO SCHOOL ISOLATION AND THE
5 FUNDING OF NONISOLATED SCHOOLS; ESTABLISHING THAT A SCHOOL DISTRICT WITH A
6 NONISOLATED HIGH SCHOOL MUST PAY ONE-HALF OF THE HIGH SCHOOL'S DIRECT STATE AID IN
7 THE SAME MANNER AS A NONISOLATED ELEMENTARY SCHOOL; AMENDING SECTION 20-9-303, MCA;
8 AND PROVIDING AN EFFECTIVE DATE."

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

11
12 **Section 1.** Section 20-9-303, MCA, is amended to read:

13 **"20-9-303. Nonisolated school BASE budget funding -- special education funds.** (1) An
14 elementary school ~~that has an ANB of nine or fewer pupils with less than 10 ANB~~ for 2 consecutive years and
15 that is not approved as an isolated school under the provisions of 20-9-302 may budget and spend the BASE
16 budget amount, but the county and state shall provide one-half of the direct state aid, and the district shall
17 finance the remaining one-half of the direct state aid by a tax levied on the property of the district. When ~~a~~ an
18 elementary school of nine or fewer pupils with less than 10 ANB is approved as isolated under the provisions of
19 20-9-302, the county and state shall participate in the financing of the total amount of the direct state aid.

20 (2) A high school with less than 25 ANB for 2 consecutive years and that is not approved as an
21 isolated school under the provisions of 20-9-302 may budget and spend the BASE budget amount, but the
22 county and state shall provide one-half of the direct state aid, and the district shall finance the remaining one-
23 half of the direct state aid by a tax levied on the property of the district. When a high school with less than 25
24 ANB is approved as isolated under the provisions of 20-9-302, the county and state shall participate in the
25 financing of the total amount of the direct state aid.

26 ~~(2)(3)~~ Funds provided to support the special education program may be expended only for special
27 education purposes as approved by the superintendent of public instruction in accordance with the special
28 education budgeting provisions of this title. Expenditures for special education must be accounted for

1 separately from and in addition to the balance of the school district general fund budgeting requirements
2 provided in 20-9-308. The amount of the special education allowable cost payments that is not matched with
3 district funds, as required in 20-9-321, will reduce by a like amount the district's ensuing year's allowable cost
4 payment for special education."

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

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