

SENATE BILL NO. 181

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A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING EDUCATION LAWS TO STRENGTHEN THE STATE'S COMMITMENT TO PRESERVING AMERICAN INDIAN CULTURAL INTEGRITY UNDER ARTICLE X, SECTION 1(2), OF THE MONTANA CONSTITUTION; REVISING INDIAN EDUCATION FOR ALL LAWS TO EMPHASIZE TRIBAL CONSULTATION AND THE ROLE OF INDIAN LANGUAGE AND CULTURAL SPECIALISTS; PLACING ADDITIONAL REQUIREMENTS ON THE BOARD OF PUBLIC EDUCATION AND THE OFFICE OF PUBLIC INSTRUCTION TO IMPROVE INDIAN EDUCATION FOR ALL AND STRENGTHEN ACCOUNTABILITY; CLARIFYING THE DUTIES OF THE OFFICE OF PUBLIC INSTRUCTION FOR FINANCIAL ACCOUNTABILITY OF INDIAN EDUCATION FOR ALL FUNDS PROVIDED BY THE STATE TO SCHOOL DISTRICTS; ESTABLISHING REPORTING REQUIREMENTS; REVISING A DEFINITION; AMENDING SECTIONS 20-1-501, 20-1-502, 20-1-503, 20-7-101, 20-9-306, AND 20-9-329, MCA; AND PROVIDING AN EFFECTIVE DATE."

WHEREAS, Article X, section 1(2), of the Montana Constitution states: "The state recognizes the distinct and unique cultural heritage of the American Indians and is committed in its educational goals to the preservation of their cultural integrity"; and

WHEREAS, the Montana Legislature has honored this commitment in several ways, including through the creation of Indian Education for All; and

WHEREAS, accountability for school districts in providing Indian Education for All and for the funding provided by the Legislature for Indian Education for All has been lacking; and

WHEREAS, this lack of accountability has resulted in costly and protracted litigation.

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

1

2 **Section 1.** Section 20-1-501, MCA, is amended to read:

3 **"20-1-501. Recognition of American Indian cultural heritage -- legislative intent.** (1) It is the
4 constitutionally declared policy of this state to recognize the distinct and unique cultural heritage of American
5 Indians and to be committed in its educational goals to the preservation of their cultural heritage.

6 (2) It is the intent of the legislature that in accordance with Article X, section 1(2), of the Montana
7 constitution:

8 (a) every Montanan, whether Indian or non-Indian, learn about the distinct and unique heritage of
9 American Indians in a culturally responsive manner; and

10 (b) every educational agency work ~~cooperatively~~ in consultation with Montana tribes or those tribes
11 that are in close proximity, when providing instruction or when implementing an educational goal or adopting a
12 rule related to the education of each Montana citizen, to include information specific to the cultural heritage and
13 contemporary contributions of American Indians, with particular emphasis on Montana Indian tribal groups and
14 governments.

15 (3) It is also the intent of this part, predicated on the belief that all school personnel should have an
16 understanding and awareness of Indian tribes to help them relate effectively with Indian students and parents,
17 that educational agencies provide means by which school personnel will gain an understanding of and
18 appreciation for the American Indian people."

19

20 **Section 2.** Section 20-1-502, MCA, is amended to read:

21 **"20-1-502. American Indian studies -- definitions.** As used in this part, the following definitions
22 apply:

23 (1) "American Indian studies" means instruction pertaining to the history, traditions, customs,
24 values, beliefs, ethics, language, and contemporary affairs of American Indians, particularly Indian tribal groups
25 in Montana.

26 (2) "Educational agency" means:

27 (a) the Montana university system;

28 (b) professional educator preparation programs accredited by the board of public education;

1 (c) the board of public education;

2 (d) the office of public instruction; and

3 (e) school districts.

4 (3) "Instruction" means:

5 (a) a formal course of study or class, developed ~~with the advice and assistance of Indian people in~~
6 consultation with Montana tribes, that is offered separately or that is integrated into existing accreditation
7 standards by a unit of the university system or by an accredited tribal community college located in Montana,
8 including a teacher education program within the university system or a tribal community college located in
9 Montana, or by the board of trustees of a school district;

10 (b) inservice training developed by the superintendent of public instruction in cooperation with
11 educators of Indian descent and made available to school districts;

12 (c) inservice training provided by a local board of trustees of a school district, which is developed
13 and conducted in cooperation with tribal education departments, tribal community colleges, or other recognized
14 Indian education resource specialists; or

15 (d) inservice training developed by professional education organizations or associations in
16 cooperation with educators of Indian descent and made available to all certified and classified personnel."

17

18 **Section 3.** Section 20-1-503, MCA, is amended to read:

19 **"20-1-503. Indian education for all -- requirements -- reporting.** (1) Pursuant to this part and 20-9-
20 329 and the definition of basic system of free quality public elementary and secondary schools under 20-9-309,
21 the board of trustees of a school district shall:

22 (a) require that all certified personnel and all students receive instruction in American Indian
23 studies; and

24 (b) in meeting the requirements of subsection (1)(a), utilize the specialist services of Indian
25 language and culture specialists licensed under the rules of the board of public education to the greatest extent
26 possible.

27 (2) Members of boards of trustees and all noncertified personnel in public school districts are
28 encouraged to satisfy the requirements for instruction in American Indian studies.

(3) (a) Pursuant to Article X, section 1(2), of the Montana constitution, 20-1-501, 20-7-101, and 20-9-309, the board of public education shall incorporate the distinct and unique cultural heritage of Montana American Indians in the content and performance standards that schools must implement as a requirement for school accreditation.

(b) The superintendent of public instruction shall include representatives of Montana Indian tribes on negotiated rulemaking committees formed pursuant to 20-7-101 addressing the development or revision of content and performance standards under subsection (3)(a).

(4) The board of public education and the superintendent of public instruction shall abide by the guiding principles and documentation requirements under 2-15-142 in fulfilling duties pursuant to this part.

(5) The board of public education shall include ongoing education in American Indian studies as a meaningful component of any professional development and licensure renewal requirements for educators.

(6) The office of public instruction shall:

(a) create an online portal for submitting feedback from parents, students, and educators about the implementation of the requirements of this part;

(b) respond to and address the feedback received in a manner that aims to continually improve the quality of American Indian studies under this part; and

(c) report annually to the education interim committee and the state-tribal relations committee in accordance with 5-11-210 on:

(i) the feedback received, responses provided, and improvements made under this subsection (6);
and

(ii) school districts failing to report or report satisfactorily in the same manner as described in 20-9-329(6)(a).

(7) In supporting school districts in fulfilling the requirements of this part, the office of public instruction shall integrate its efforts to the greatest extent possible with the Montana Indian language preservation program under 20-9-537."

Section 4. Section 20-7-101, MCA, is amended to read:

"20-7-101. Accreditation standards -- process for adoption. (1) (a) Accreditation standards, as

1 defined in 20-1-101, for all schools must be adopted by the board of public education upon the
2 recommendations of the superintendent of public instruction. The superintendent shall develop
3 recommendations in accordance with subsection (2). For an accreditation standard that requires
4 implementation by school districts, the recommendations presented to the board must include an economic
5 impact statement, as described in 2-4-405, prepared in consultation with the negotiated rulemaking committee
6 under subsection (2).

7 (b) For accreditation standards addressing academic requirements, program area standards, or
8 content and performance standards, the economic impact statement under subsection (1)(a) must include an
9 analysis of the ability of school districts to implement the standard within existing resources, including time. The
10 intent of this subsection (1)(b) is to ensure that school districts have the capacity to adhere to required
11 accreditation standards within a basic system of free quality public elementary and secondary schools.

12 (2) The accreditation standards recommended by the superintendent of public instruction must be
13 developed through the negotiated rulemaking process under Title 2, chapter 5, part 1. The superintendent may
14 form a negotiated rulemaking committee for accreditation standards to consider multiple proposals. The
15 negotiated rulemaking committee may not exist for longer than 2 years. The committee must represent the
16 diverse circumstances of schools of all sizes across the state and must include representatives from the
17 following groups:

- 18 (a) school district trustees;
19 (b) school administrators;
20 (c) teachers;
21 (d) school business officials;
22 (e) parents; and
23 (f) taxpayers; and
24 (g) for content and performance standard revisions, representatives of Montana Indian tribes, as
25 required under 20-1-503.

26 (3) Prior to adoption or amendment of any accreditation standard, the board shall submit each
27 proposal, including the economic impact statement required under subsection (1), to:

- 28 (a) during a regular legislative session, the joint appropriations subcommittee on education; or

(b) during the legislative interim, the education interim budget committee established in 5-12-501, for review at least 1 month in advance of a scheduled committee meeting.

(4) Unless the expenditures by school districts required under the proposal are determined by the appropriate committee under subsection (3) to be insubstantial expenditures that can be readily absorbed into the budgets of existing district programs, the board may not implement the standard until July 1 following:

(a) under subsection (3)(a), the current legislative session; or

(b) under subsection (3)(b), the next regular legislative session and shall request the superintendent of public instruction include a request in the superintendent's budget that the same legislature fund implementation of the proposed standard.

(5) The provisions of this section may not be construed to reduce or limit the authority of the education interim committee to review administrative rules, including accreditation standards, within its jurisdiction pursuant to 5-5-215.

(6) Standards for the retention of school records must be as provided in 20-1-212."

Section 5. Section 20-9-306, MCA, is amended to read:

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

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

(2) "BASE aid" means:

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

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

(c) the total quality educator payment;

(d) the total at-risk student payment;

(e) the total Indian education for all payment;

(f) the total American Indian achievement gap payment;

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

(h) the special education allowable cost payment.

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

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

(5) "BASE funding program" means the state program for the equitable distribution of the state's share of the cost of Montana's basic system of public elementary schools and high schools, through county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.

(6) "Basic entitlement" means:

(a) for each high school district:

(i) \$343,483 for fiscal year 2024 and \$353,787 for each succeeding fiscal year for school districts with an ANB of 800 or fewer; and

(ii) \$343,483 for fiscal year 2024 and \$353,787 for each succeeding fiscal year for school districts with an ANB of more than 800, plus \$17,175 for fiscal year 2024 and \$17,690 for each succeeding fiscal year for each additional 80 ANB over 800;

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

(i) \$57,246 for fiscal year 2024 and \$58,963 for each succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of 250 or fewer; and

(ii) \$57,246 for fiscal year 2024 and \$58,963 for each succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of more than 250, plus \$2,863 for fiscal year 2024 and \$2,949

for each succeeding fiscal year for each additional 25 ANB over 250;

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

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

(A) \$57,246 for fiscal year 2024 and \$58,963 for each succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of 250 or fewer; and

(B) \$57,246 for fiscal year 2024 and \$58,963 for each succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of more than 250, plus \$2,863 for fiscal year 2024 and \$2,949 for each succeeding fiscal year for each additional 25 ANB over 250; and

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

(A) \$114,493 for fiscal year 2024 and \$117,928 for each succeeding fiscal year for school districts or K-12 district elementary programs with combined grades 7 and 8 with an ANB of 450 or fewer; and

(B) \$114,493 for fiscal year 2024 and \$117,928 for each succeeding fiscal year for school districts or K-12 district elementary programs with combined grades 7 and 8 with an ANB of more than 450, plus \$5,724 for fiscal year 2024 and \$5,896 for each succeeding fiscal year for each additional 45 ANB over 450.

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

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

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

(a) 175%; or

(b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures to the district's special education allowable cost payment for the fiscal year that is 2 years

previous, with a maximum allowable ratio of 200%.

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

(11) "Total American Indian achievement gap payment" means the payment resulting from multiplying \$235 for fiscal year 2024 and \$242 for each succeeding fiscal year times the number of American Indian students enrolled in the district as provided in 20-9-330.

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

(13) "Total data-for-achievement payment" means the payment provided in 20-9-325 resulting from multiplying \$22.89 for fiscal year 2024 and \$23.58 for each succeeding fiscal year by the district's ANB calculated in accordance with 20-9-311.

(14) "Total Indian education for all payment" means the payment resulting from multiplying \$23.91 for fiscal year 2024 and \$24.63 for each succeeding fiscal year times the ANB of the district or ~~\$100~~ \$5,000 for each district, whichever is greater, as provided for in 20-9-329.

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

(a) for a high school district or a K-12 district high school program, a maximum rate of \$7,840 for fiscal year 2024 and \$8,075 for each succeeding fiscal year for the first ANB, decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

(b) for an elementary school district or a K-12 district elementary program without an approved and accredited junior high school, 7th and 8th grade program, or middle school, a maximum rate of \$6,123 for fiscal year 2024 and \$6,307 for each succeeding fiscal year for the first ANB, decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

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

(i) a maximum rate of \$6,123 for fiscal year 2024 and \$6,307 for each succeeding fiscal year for the first ANB for kindergarten through grade 6, decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

(ii) a maximum rate of \$7,840 for fiscal year 2024 and \$8,075 for each succeeding fiscal year for the first ANB for grades 7 and 8, decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB.

(16) "Total quality educator payment" means the payment resulting from multiplying \$3,566 for fiscal year 2024 and \$3,673 for each succeeding fiscal year by the sum of:

(a) the number of full-time equivalent educators as provided in 20-9-327; and
(b) as provided in 20-9-324, for a school district meeting the legislative goal for competitive base pay of teachers, the number of full-time equivalent teachers that were in the first 3 years of the teacher's teaching career in the previous year.

(17) "Total special education allocation" means the state payment distributed pursuant to 20-9-321 that is the greater of the amount resulting from multiplying \$293.74 for fiscal year 2024 and \$302.55 for each succeeding fiscal year by the statewide current year ANB or the amount of the previous year's total special education allocation."

Section 6. Section 20-9-329, MCA, is amended to read:

"20-9-329. Indian education for all payment. (1) Except as provided in subsection (5), the state shall provide an Indian education for all payment to public school districts, as defined in 20-6-101 and 20-6-701, to implement the provisions of Article X, section 1(2), of the Montana constitution and Title 20, chapter 1, part 5.

(2) The Indian education for all payment is calculated as provided in 20-9-306 and is a component of the BASE budget of the district.

(3) The district shall deposit the payment in the general fund of the district.

(4) (a) A public school district that receives an Indian education for all payment may not divert the funds to any purpose other than curriculum development of an American Indian studies program, providing

curriculum and materials to students for the program, and providing training to teachers about the program's curriculum and materials.

(b) A public school district shall file an annual report with the office of public instruction, in a form and by a date prescribed by the superintendent of public instruction, that specifies how the Indian education for all funds were expended in the prior school fiscal year in sufficient detail to ensure that all the funds were properly spent for the purposes under subsection (4)(a) In addition to the expenditure reporting, the report must include detailed descriptions of:

(i) the instruction provided to certified personnel and students as required under 20-1-503; and

(ii) how this instruction was developed cooperatively with the advice and assistance of Montana tribes pursuant to Title 20, chapter 1, part 5.

(5) (a) ~~A~~ If a school district that fails to file the annual report required under subsection (4) is ineligible for the funding under this section, the office of public instruction shall reduce the school district's BASE and maximum budget limits and BASE aid funding by the full amount of the Indian education for all payment for subsequent school fiscal years until the report is filed.

(b) If a school district files a report failing to show that all funds received under this section were spent for the purposes of subsection (4)(a), the office of public instruction shall reduce the school district's BASE and maximum budget limits and BASE aid funding under this section for the subsequent fiscal year must be reduced by the amount of funding received that was not spent for the purposes of subsection (4)(a).

(6) (a) The office of public instruction shall publish an annual report on the office's website listing any school districts that fail to report or satisfactorily report under subsection (4) of this section.

(b) When a school district fails to report or satisfactorily report under subsection (4) of this section, this failure must be noted in the school accreditation status reports established by the board of public education pursuant to 20-7-102."

NEW SECTION. Section 7. Notification to tribal governments. The secretary of state shall send a copy of [this act] to each federally recognized tribal government in Montana.

NEW SECTION. Section 8. Effective date. [This act] is effective July 1, 2025.

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- END -

AMENDED