

Amendment - 1st Reading-white - Requested by: Luke Muszkiewicz - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0339.002.001

HOUSE BILL NO. 339

INTRODUCED BY M. ROMANO, J. REAVIS, B. EDWARDS, J. ISALY, M. LEE, P. STRAND, T. CROWE, P. ELVERUM, S. FYANT, J. WEBER, J. SOOKTIS, A. GRIFFITH, D. POWERS, M. CUNNINGHAM, S. ROSENZWEIG, E. MATTHEWS, M. FOX, D. BAUM, M. CAFERRO, B. CARTER, J. COHENOUR, T. FRANCE, S. HOWELL, J. KARLEN, C. KEOGH, E. STAFMAN, K. SULLIVAN, M. THANE, P. TUSS, S. DEMAROIS, D. JOY, C. FITZPATRICK, J. LYNCH

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING SCHOOL FUNDING LAWS TO PROVIDE THAT 6TH GRADERS IN DISTRICTS WITH ACCREDITED MIDDLE SCHOOLS SCHOOL OR JUNIOR HIGH PROGRAMS ARE FUNDED AT THE MIDPOINT BETWEEN THE ELEMENTARY ANB RATES AND THE HIGH SCHOOL ANB RATES ALONG WITH 7TH AND 8TH GRADERS; PROVIDING ADDITIONAL FUNDING FOR CAREER AND TECHNICAL EDUCATION IN THE MIDDLE SCHOOL OR JUNIOR HIGH PROGRAMS; AMENDING SECTIONS 20-9-306 AND 20-9-311, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

WHEREAS, nearly all Montana school districts have embraced EITHER the middle school OR THE JUNIOR HIGH model and 98% of Montana 6th graders attend a AN ACCREDITED middle school OR JUNIOR HIGH SCHOOL; and

WHEREAS, currently 6th graders in a middle school are funded at the lower elementary per-ANB rate, while their 7th and 8th grade schoolmates are funded at the high school ANB rates; and

WHEREAS, there is no educationally relevant justification for this disparity in funding; and

WHEREAS, if 6th graders were funded on par with 7th and 8th graders AT A HIGHER PER-ANB RATE, middle schools would be able to offer more robust program offerings as required in the accreditation standards for middle schools, including EXPANDED ACCESS TO career and technical education courses and pathways.

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

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

1 **"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the
2 following definitions apply:

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

4 (2) "BASE aid" means:

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

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

10 (c) the total quality educator payment;

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

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

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

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

15 (h) the special education allowable cost payment.

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

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

24 (5) "BASE funding program" means the state program for the equitable distribution of the state's
25 share of the cost of Montana's basic system of public elementary schools and high schools, through county
26 equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in
27 support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-
28 321.

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- 1 (6) "Basic entitlement" means:
- 2 (a) for each high school district:
- 3 (i) \$343,483 for fiscal year 2024 and \$353,787 for each succeeding fiscal year for school districts
- 4 with an ANB of 800 or fewer; and
- 5 (ii) \$343,483 for fiscal year 2024 and \$353,787 for each succeeding fiscal year for school districts
- 6 with an ANB of more than 800, plus \$17,175 for fiscal year 2024 and \$17,690 for each succeeding fiscal year
- 7 for each additional 80 ANB over 800;
- 8 (b) for each elementary school district or K-12 district elementary program without an approved
- 9 and accredited MIDDLE SCHOOL OR junior high school PROGRAM, ~~7th and 8th grade program, or middle school~~:
- 10 (i) \$57,246 for fiscal year 2024 and \$58,963 for each succeeding fiscal year for school districts or
- 11 K-12 district elementary programs with an ANB of 250 or fewer; and
- 12 (ii) \$57,246 for fiscal year 2024 and \$58,963 for each succeeding fiscal year for school districts or
- 13 K-12 district elementary programs with an ANB of more than 250, plus \$2,863 for fiscal year 2024 and \$2,949
- 14 for each succeeding fiscal year for each additional 25 ANB over 250; AND
- 15 (c) for each elementary school district or K-12 district elementary program with an approved and
- 16 accredited MIDDLE SCHOOL OR junior high school PROGRAM, ~~or 7th and 8th grade program, or middle school~~:
- 17 (i) for the district's kindergarten through grade ~~6~~5 elementary program:
- 18 (A) \$57,246 for fiscal year 2024 and \$58,963 for each succeeding fiscal year for school districts or
- 19 K-12 district elementary programs with an ANB of 250 or fewer; and
- 20 (B) \$57,246 for fiscal year 2024 and \$58,963 for each succeeding fiscal year for school districts or
- 21 K-12 district elementary programs with an ANB of more than 250, plus \$2,863 for fiscal year 2024 and \$2,949
- 22 for each succeeding fiscal year for each additional 25 ANB over 250; and
- 23 (ii) for the district's approved and accredited MIDDLE SCHOOL OR junior high school PROGRAM, ~~or 7th~~
- 24 ~~and 8th grade programs, or middle school~~:
- 25 (A) \$114,493 for fiscal year 2024 and \$117,928 for each succeeding fiscal year for school districts
- 26 or K-12 district elementary programs with combined grades ~~7 and~~ 6 THROUGH 8 with an ANB of 450 or fewer;
- 27 and
- 28 (B) \$114,493 for fiscal year 2024 and \$117,928 for each succeeding fiscal year for school districts

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or K-12 district elementary programs with combined grades 7 and 6 THROUGH 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; and

(d) for each elementary school district or K-12 district elementary program with an approved and accredited middle school program:

(i) for the district's kindergarten through grade 5 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 middle school program:

(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 6, 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 6, 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

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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 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 MIDDLE SCHOOL OR junior high school PROGRAM, ~~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~~ AND

(c) for an elementary school district or a K-12 district elementary program with an approved and

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1 accredited MIDDLE SCHOOL OR junior high school PROGRAM, ~~or 7th and 8th grade program~~ or middle school, the
2 sum of:

3 (i) a maximum rate of \$6,123 for fiscal year 2024 and \$6,307 for each succeeding fiscal year for
4 the first ANB for kindergarten through grade ~~6~~ 5, decreased at the rate of 20 cents per ANB for each additional
5 ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the
6 1,000th ANB; ~~and~~

7 (ii) A MAXIMUM RATE OF \$7,405 FOR FISCAL YEAR 2024-2026 AND \$7,629 FOR EACH SUCCEEDING FISCAL
8 YEAR FOR THE FIRST ANB FOR GRADE 6, DECREASED AT THE RATE OF 35 CENTS PER ANB FOR EACH ADDITIONAL ANB
9 FOR GRADE 6 UP THROUGH 400 ANB, WITH EACH ANB IN EXCESS OF 400 RECEIVING THE SAME AMOUNT OF
10 ENTITLEMENT AS THE 400TH ANB; AND

11 (iii) a maximum rate of \$7,840 for fiscal year 2024 and \$8,075 for each succeeding fiscal year for
12 the first ANB for grades 7 and 8, decreased at the rate of 50 cents per ANB for each additional ANB for grades
13 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the
14 800th ANB; and

15 ~~(d) for an elementary school district or a K-12 district elementary program with an approved and~~
16 ~~accredited middle school, the sum of:~~

17 ~~(i) a maximum rate of \$6,123 for fiscal year 2024 and \$6,307 for each succeeding fiscal year for~~
18 ~~the first ANB for kindergarten through grade 5, decreased at the rate of 20 cents per ANB for each additional~~
19 ~~ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the~~
20 ~~1,000th ANB; and~~

21 ~~(ii) a maximum rate of \$7,840 for fiscal year 2024 and \$8,075 for each succeeding fiscal year for~~
22 ~~the first ANB for grades 6, 7, and 8, decreased at the rate of 50 cents per ANB for each additional ANB for~~
23 ~~grades 6, 7, and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of~~
24 ~~entitlement as the 800th ANB.~~

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

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

28 (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 2. Section 20-9-311, MCA, is amended to read:

"20-9-311. Calculation of average number belonging (ANB) -- 3-year averaging. (1) Average number belonging (ANB) 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-quarter-time enrollment; and