1	HOUSE BILL NO. 15		
2	INTRODUCED BY D. BEDEY, B. BARKER		
3	BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING		
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5	A BILL FOR AN ACT ENTITLED: "AN ACT APPLYING INFLATIONARY ADJUSTMENTS TO SCHOOL		
6	FUNDING FORMULA COMPONENTS; AMENDING SECTION 20-9-306, MCA; AND PROVIDING AN		
7	EFFECTIVE DATE AND AN APPLICABILITY DATE."		
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9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:		
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11	Section 1. Section 20-9-306, MCA, is amended to read:		
12	"20-9-3	<b>306.</b> Definitions. As used in this title, unless the context clearly indicates otherwise, the	
13	following definitions apply:		
14	(1)	"BASE" means base amount for school equity.	
15	(2)	"BASE aid" means:	
16	(a)	direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement	
17	for the general fund budget of a district;		
18	(b)	guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic	
19	entitlement, up	to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and	
20	40% of the special education allowable cost payment;		
21	(c)	the total quality educator payment;	
22	(d)	the total at-risk student payment;	
23	(e)	the total Indian education for all payment;	
24	(f)	the total American Indian achievement gap payment;	
25	(g)	the total data-for-achievement payment; and	
26	(h)	the special education allowable cost payment.	
27	(3)	"BASE budget" means the minimum general fund budget of a district, which includes 80% of	
28	the basic entitlement, 80% of the total per-ANB entitlement, 100% of the total quality educator payment, 100%		

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2 American Indian achievement gap payment, 100% of the total data-for-achievement payment, and 140% of the 3 special education allowable cost payment. 4 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which 5 may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 6 through 20-9-369. 7 "BASE funding program" means the state program for the equitable distribution of the state's (5) 8 share of the cost of Montana's basic system of public elementary schools and high schools, through county 9 equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in 10 support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-11 321. 12 (6) "Basic entitlement" means: 13 for each high school district: (a) 14 \$343,483 for fiscal year 2024 and \$353,787 \$364,401 for fiscal year 2026 and \$375,333 for (i) 15 each succeeding fiscal year for school districts with an ANB of 800 or fewer; and 16 (ii) \$343,483 for fiscal year 2024 and \$353,787 \$364,401 for fiscal year 2026 and \$375,333 for 17 each succeeding fiscal year for school districts with an ANB of more than 800, plus \$17,175 for fiscal year 2024 18 and \$17,690 \$18,221 for fiscal year 2026 and \$18,768 for each succeeding fiscal year for each additional 80 ANB over 800; 19 20 (b) for each elementary school district or K-12 district elementary program without an approved 21 and accredited junior high school, 7th and 8th grade program, or middle school: 22 (i) \$57,246 for fiscal year 2024 and \$58,963 \$60,732 for fiscal year 2026 and \$62,554 for each 23 succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of 250 or fewer; 24 and 25 (ii) \$57,246 for fiscal year 2024 and \$58,963 \$60,732 for fiscal year 2026 and \$62,554 for each 26 succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of more than 250, 27 plus \$2,863 for fiscal year 2024 and \$2,949 \$3,037 for fiscal year 2026 and \$3,128 for each succeeding fiscal 28 year for each additional 25 ANB over 250; - 2 -Authorized Print Version – HB 15 Legislative

of the total at-risk student payment, 100% of the total Indian education for all payment, 100% of the total

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1	(c)	for each elementary school district or K-12 district elementary program with an approved and	
2	accredited junior high school, 7th and 8th grade program, or middle school:		
3	(i)	for the district's kindergarten through grade 6 elementary program:	
4	(A)	\$57,246 for fiscal year 2024 and \$58,963 \$60,732 for fiscal year 2026 and \$62,554 for each	
5	succeeding fiscal year for school districts or K-12 district elementary programs with an ANB of 250 or fewer;		
6	and		
7	(B)	\$57,246 for fiscal year 2024 and \$58,963 \$60,732 for fiscal year 2026 and \$62,554 for each	
8	succeeding fise	cal year for school districts or K-12 district elementary programs with an ANB of more than 250,	
9	plus <del>\$2,863 for</del>	fiscal year 2024 and \$2,949 \$3,037 for fiscal year 2026 and \$3,128 for each succeeding fiscal	
10	year for each additional 25 ANB over 250; and		
11	(ii)	for the district's approved and accredited junior high school, 7th and 8th grade programs, or	
12	middle school:		
13	(A)	\$114,493 for fiscal year 2024 and \$117,928- <u>\$121,466 for fiscal year 2026 and \$125,110</u> for	
14	each succeeding fiscal year for school districts or K-12 district elementary programs with combined grades 7		
15	and 8 with an ANB of 450 or fewer; and		
16	(B)	\$114,493 for fiscal year 2024 and \$117,928 \$121,466 for fiscal year 2026 and \$125,110 for	
17	each succeeding fiscal year for school districts or K-12 district elementary programs with combined grades 7		
18	and 8 with an ANB of more than 450, plus \$5,724 for fiscal year 2024 and \$5,896 \$6,073 for fiscal year 2026		
19	and \$6,255 for each succeeding fiscal year for each additional 45 ANB over 450.		
20	(7)	"Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to	
21	20-9-311.		
22	(8)	"Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB	
23	entitlement for the general fund budget of a district and funded with state and county equalization aid.		
24	(9)	"Maximum general fund budget" means a district's general fund budget amount calculated from	
25	the basic entitlement for the district, the total per-ANB entitlement for the district, the total quality educator		
26	payment, the total at-risk student payment, the total Indian education for all payment, the total American Indian		
27	achievement gap payment, the total data-for-achievement payment, and the greater of the district's special		
28	education allowable cost payment multiplied by:		



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(a) 175%; or the ratio, expressed as a percentage, of the district's special education allowable cost (b) 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 \$249 for fiscal year 2026 and \$256 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. "Total data-for-achievement payment" means the payment provided in 20-9-325 resulting from (13)multiplying \$22.89 for fiscal year 2024 and \$23.58 \$24.29 for fiscal year 2026 and \$25.02 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 \$25.37 for fiscal year 2026 and \$26.13 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: for a high school district or a K-12 district high school program, a maximum rate of \$7,840 for (a) fiscal year 2024 and \$8,075 \$8,317 for fiscal year 2026 and \$8,567 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 \$6,496 for fiscal year 2026 and \$6,691 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

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1 each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and 2 for an elementary school district or a K-12 district elementary program with an approved and (C) 3 accredited junior high school, 7th and 8th grade program, or middle school, the sum of: 4 (i) a maximum rate of \$6,123 for fiscal year 2024 and \$6,307 \$6,496 for fiscal year 2026 and 5 \$6,691 for each succeeding fiscal year for the first ANB for kindergarten through grade 6, decreased at the rate 6 of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 7 receiving the same amount of entitlement as the 1,000th ANB; and 8 (ii) a maximum rate of \$7,840 for fiscal year 2024 and \$8,075 \$8,317 for fiscal year 2026 and 9 \$8,567 for each succeeding fiscal year for the first ANB for grades 7 and 8, decreased at the rate of 50 cents 10 per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 11 receiving the same amount of entitlement as the 800th ANB. 12 (16)"Total quality educator payment" means the payment resulting from multiplying \$3,566 for fiscal year 2024 and \$3,673 \$3,783 for fiscal year 2026 and \$3,896 for each succeeding fiscal year by the sum of: 13 14 the number of full-time equivalent educators as provided in 20-9-327; and (a) 15 (b) as provided in 20-9-324, for a school district meeting the legislative goal for competitive base 16 pay of teachers, the number of full-time equivalent teachers that were in the first 3 years of the teacher's 17 teaching career in the previous year. 18 "Total special education allocation" means the state payment distributed pursuant to 20-9-321 (17)19 that is the greater of the amount resulting from multiplying \$293.74 for fiscal year 2024 and \$302.55 \$311.63 for 20 fiscal year 2026 and \$320.98 for each succeeding fiscal year by the statewide current year ANB or the amount 21 of the previous year's total special education allocation." 22 23 NEW SECTION. Section 2. Effective date. [This act] is effective July 1, 2025. 24 25 NEW SECTION. Section 3. Applicability. [This act] applies to school fiscal years beginning on or after July 1, 2025. 26 - END -27



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