

12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 **Section 1.** Section 20-3-363, MCA, is amended to read:

16 **"20-3-363. Multidistrict agreements -- fund transfers.** (1) (a) The boards of trustees of any two or
17 more school districts may enter into a multidistrict agreement to create a multidistrict cooperative to perform any
18 services, activities, and undertakings of the participating districts, including full and to provide for the joint
19 funding and operation and maintenance of all programs and services of the participating districts upon the
20 terms and conditions as may be mutually agreed to by the districts subject to the conditions of this section.

21 (b) A multidistrict agreement may include an agreement through which one district provides
22 culturally rooted instruction aligned to a learning environment for English language learners or an Indian
23 language immersion program to pupils of a district participating in the multidistrict agreement. The costs and
24 other terms of service must be reflected in the multidistrict agreement.

25 (c) An agreement must include provisions for dissolution of the cooperative, including the
26 conditions under which dissolution may occur and the disposition of any remaining funds that had been
27 transferred to an interlocal cooperative fund in support of the cooperative. An agreement must be approved by

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1 the boards of trustees of all participating districts and must include a provision specifying terms upon which a
2 district may exit the multidistrict cooperative. ~~The agreement may be for a period of up to 3 years.~~

3 (2) All expenditures in support of the multidistrict agreement may be made from ~~the each~~
4 participating school district's interlocal cooperative fund as specified in 20-9-703 and 20-9-704. Each ~~The board~~
5 of trustees of each participating district of the multidistrict cooperative may transfer funds into the district's
6 interlocal cooperative fund from the district's general fund, budgeted funds other than the retirement fund or
7 debt service fund, or nonbudgeted funds other than the compensated absence liability fund. Transfers to the
8 district's interlocal cooperative fund from each ~~participating~~ the school district's general fund are limited to an
9 amount not to exceed the direct state aid in support of the respective school district's general fund. Transfers
10 from the retirement fund and debt service fund are prohibited. Transfers may not be made with funds restricted
11 by federal law unless the transfer is in compliance with any restrictions or conditions imposed by federal law.

12 (3) Expenditures from the interlocal cooperative fund under this section are limited to ~~those~~ may
13 include any expenditures that are permitted by law and that are within the final budget considered by the board
14 of trustees of the district to be reasonable and necessary to efficiently and effectively finance the expenditures
15 pursuant to the terms of the multidistrict agreement, not to exceed the total expenditures approved by the board
16 of trustees for the budgeted fund from which the transfer was made, including expenditures pursuant to any
17 budget amendment adopted pursuant to 20-9-165.

18 (4) The intent of this section is to increase the flexibility and efficiency of school districts without an
19 increase in local taxes. In furtherance of this intent, if transfers of funds are made from any school district fund
20 supported by a nonvoted levy, the district may not increase its nonvoted levy for the purpose of restoring the
21 amount of funds transferred.

22 (5) (a) Beginning in school fiscal year 2027, school districts that achieve the legislative goal for
23 countywide resource sharing outlined in this subsection (5) must receive a 50% increase in their total quality
24 educator payment as defined in 20-9-306.

25 (b) The legislative goal for countywide resource sharing is for each school district with a majority of
26 its territory in a county to participate in a countywide multidistrict agreement as specified in this subsection (5).
27 To receive the enhanced incentive, the multidistrict agreement executed by the participating districts must:

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1 (i) include at least all school districts with a majority of their territory within the boundaries of the
2 same county. Provided that at least all school districts in at least one county have entered into a multidistrict
3 agreement under this subsection (5), other school districts located in other counties that participate in the
4 multidistrict agreement must also receive the enhanced total quality educator payment calculated in accordance
5 with subsection (5)(a).

6 (ii) provide for the joint funding and operation of the participating districts as described in this
7 subsection (5);

8 (iii) contractually allocate an amount at least equal to each district's general fund direct state aid for
9 the support of joint funding and operations among all participating districts as described in this subsection (5);
10 and

11 (iv) to the extent of the funds committed, jointly and mutually establish, maintain, budget, and
12 finance the programs of the participating districts identified under this subsection (5). Activities must be in
13 compliance with the accreditation standards of the board of public education and may include the sharing of
14 staff among the participating districts when that is consistent with collective bargaining, if applicable, and when
15 that is determined by the board of trustees of each participating school district to be the most efficient and
16 effective use of district staff. The programs of the participating districts that are mutually administered must
17 include, at a minimum:

18 (A) administration functions, including budgeting, payroll, human resources, elections, and services
19 provided in support of the board of trustees;

20 (B) custodial services;

21 (C) instructional services and support, including remote instruction, selection of textbooks, library
22 and media services and curriculum development and implementation;

23 (D) K-12 career and vocational/technical education and work-based learning;

24 (E) school food services;

25 (F) software licensing and other information technology;

26 (G) extracurricular activities;

27 (H) special education programs; and

1 (I) transportation for instruction and school activities.

2 (6) Nothing in this section may be construed to prohibit a district that has entered into a
3 countywide multidistrict agreement from entering into any other multidistrict agreement otherwise meeting the
4 requirements of this section other than subsection (5). Districts participating in a countywide multidistrict
5 agreement from one county may also cooperate with districts from any other county to form multicounty
6 regional multidistrict agreements.

7 (5)(7) As used in this title, "multidistrict cooperative" means a public entity created by two or more
8 school districts executing a multidistrict agreement under this section or any school district or other public entity
9 participating in an interlocal cooperative agreement under the provisions of Title 20, chapter 9, part 7, as either
10 a coordinating or a cooperating agency with each other or with any other public or private entity participating in
11 the cooperative and complying with the requirements of this section and other laws governing public schools in
12 the state."

13

14 **Section 2.** Section 20-9-306, MCA, is amended to read:

15 **"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the
16 following definitions apply:

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

18 (2) "BASE aid" means:

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

21 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic
22 entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and
23 40% of the special education allowable cost payment;

24 (c) the total quality educator payment;

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

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

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

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

2 (h) the special education allowable cost payment.

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

16 (6) "Basic entitlement" means:

17 (a) for each high school district:

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

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

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

27 (ii) \$57,246 for fiscal year 2024 and \$58,963 for each succeeding fiscal year for school districts or

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1 K-12 district elementary programs with an ANB of more than 250, plus \$2,863 for fiscal year 2024 and \$2,949
2 for each succeeding fiscal year for each additional 25 ANB over 250;

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

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

6 (A) \$57,246 for fiscal year 2024 and \$58,963 for each succeeding fiscal year for school districts or

7 K-12 district elementary programs with an ANB of 250 or fewer; and

8 (B) \$57,246 for fiscal year 2024 and \$58,963 for each succeeding fiscal year for school districts or

9 K-12 district elementary programs with an ANB of more than 250, plus \$2,863 for fiscal year 2024 and \$2,949
10 for each succeeding fiscal 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 for each succeeding fiscal year for school districts
14 or K-12 district elementary programs with combined grades 7 and 8 with an ANB of 450 or fewer; and

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

18 (7) "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to
19 20-9-311.

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

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

27 (a) 175%; or

10 (12) "Total at-risk student payment" means the payment resulting from the distribution of any funds
11 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.

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

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

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

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

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1 the same amount of entitlement as the 1,000th ANB; and

2 (c) for an elementary school district or a K-12 district elementary program with an approved and
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 for each succeeding fiscal year for
5 the first ANB for kindergarten through grade 6, decreased at the rate of 20 cents per ANB for each additional
6 ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the
7 1,000th ANB; and

8 (ii) a maximum rate of \$7,840 for fiscal year 2024 and \$8,075 for each succeeding fiscal year for
9 the first ANB for grades 7 and 8, decreased at the rate of 50 cents per ANB for each additional ANB for grades
10 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the
11 800th ANB.

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

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

15 (b)(ii) 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 (b) The total quality educator payment for a district meeting the legislative goal for countywide
19 resource sharing under 20-9-363-20-3-363 must have its total quality educator payment under subsection
20 (16)(a) of this section increased by 50% as described in 20-9-363 20-3-363.

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

25

26 NEW SECTION. Section 3. Effective date. [This act] is effective July 1, 2025.

27

- END -