

Amendment - 1st Reading/2nd House-blue - Requested by: Brad Barker - (S) Education and Cultural Resources

- 2025

69th Legislature 2025

Drafter: Pad McCracken,

HB0567.001.001

1 HOUSE BILL NO. 567
2 INTRODUCED BY B. BARKER, D. BEDEY, L. DEMING, L. MUSZKIEWICZ, F. NAVE, J. FULLER, C. KEOGH,
3 E. MATTHEWS, M. ROMANO
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS RELATED TO MULTIDISTRICT
6 AGREEMENTS BETWEEN SCHOOL DISTRICTS; INCREASING THE FLEXIBILITY OF SCHOOL DISTRICTS
7 TO ENTER INTO MULTIDISTRICT AGREEMENTS; PROVIDING A COUNTYWIDE RESOURCE-SHARING
8 INCENTIVE THROUGH THE TOTAL QUALITY EDUCATOR PAYMENT FOR SCHOOL DISTRICTS THAT
9 ESTABLISH CERTAIN MULTIDISTRICT AGREEMENTS WITH ALL DISTRICTS IN A COUNTY; ALLOWING
10 MULTIDISTRICT AGREEMENTS TO INCLUDE PRIVATE ENTITIES; AMENDING SECTIONS 20-3-363 AND
11 20-9-306, MCA; AND PROVIDING AN EFFECTIVE DATE."
12

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
14

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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(l) transportation for instruction and school activities.

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

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

Section 2. 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;

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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.

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

11 (5) "BASE funding program" means the state program for the equitable distribution of the state's
12 share of the cost of Montana's basic system of public elementary schools and high schools, through county
13 equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in
14 support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-
15 321.

16 (6) "Basic entitlement" means:

17 (a) for each high school district:

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

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

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(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 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

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

(b)(ii) 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.

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

(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."

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

- END -