

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

16 **"20-9-516. School facility and technology account.** (1) There is a school facility and technology
17 account in the state special revenue fund provided for in 17-2-102. The purpose of the account is to provide,
18 contingent on appropriation from the legislature, funding for the following in priority order:

19 (a) school technology purposes, including but not limited to purposes as provided in 20-9-534; and
20 (b) state debt service assistance as provided in 20-9-371.

(2) There must be deposited in the account:

22 (a) an amount of money equal to the income attributable to the difference between the average
23 sale value of 18 million board feet and the total income produced from the annual timber harvest on common
24 school trust lands during the fiscal year; and

25 (b) the income received from certain lands and riverbeds as provided in 17-3-1003(5)

1 20-9-525 will result in a proration reduction in school major maintenance aid pursuant to 20-9-525(5) for that
2 fiscal year, the state treasurer shall transfer any excess funds in the school facility and technology account to
3 the school major maintenance aid account not to exceed the amount required to avoid a proration reduction."

4

5 **Section 2.** Section 20-15-310, MCA, is amended to read:

6 **"20-15-310. Appropriation -- definitions.** (1) As used in [20-15-328] and this section, the following
7 definitions apply:

8 (a) "Adjusted base" means the state appropriation to a community college in the base year:

9 (i) (A) plus the payment made to the community college for the base year pursuant to 20-15-
10 328(3)(a); or

11 (B) minus the FTE increase funding factor divided by the FTE decrease funding factor times the
12 payment made to the state for the base year pursuant to 20-15-328(3)(b); and

13 (C) minus any one-time-only legislative appropriations in the base year minus any one-time-only
14 legislative appropriations, except for one-time-only legislative appropriations made for fiscal year 2022, and
15 appropriations for auditing purposes, as well as any reversion pursuant to 17-7-142 before July 1, 2023, and
16 adjusted for actual weighted FTE as determined by the commissioner of higher education in [20-15-328 (2)],

17 (ii) The amount calculated in subsection (1)(a)(i) is then multiplied by the inflationary factor for the
18 second year of the current biennium.

19 (b) "Base year" means the first year of the current biennium.

20 (c) "Concurrent enrollment" means the form of dual enrollment through which a high school
21 student receives instruction in a community college course from a high school instructor.

22 (d) "CTE FTE" means the FTE derived from students in courses determined by the commissioner
23 of higher education to be career and technical education, based on national standard course classifications. For
24 the purposes of the community college funding formula, FTE generated from a dual enrollment CTE course
25 must be included in the calculation of CTE FTE and not in the concurrent enrollment or early college FTE
26 categories.

27 (e) "Dual enrollment" means the circumstance in which a high school student is enrolled in both
28 the student's high school and in a community college.

1 (f) "Early college" means the form of dual enrollment through which a high school student receives
2 instruction in a community college course from a faculty member of the community college.

3 (g) "FTE" or "full-time equivalent" means the total number of undergraduate resident student credit
4 hours in an academic year divided by 30.

5 (h) "FTE categories" means CTE FTE, general education FTE, the FTE derived from concurrent
6 enrollment, and the FTE derived from early college. For the purposes of the community college funding formula,
7 FTE generated from a dual enrollment CTE course must be included in the calculation of CTE FTE and not in
8 the concurrent enrollment or early college FTE categories.

12 (j) "FTE increase funding factor" means a dollar figure for each year of the ensuing biennium that
13 is determined by the legislature and must be specified in the appropriations act appropriating funds to the
14 community colleges for each biennium.

15 (k) "FTE weighting factor" means a multiplier that is applied to changes in resident FTE in each of
16 the FTE categories and that is determined by the legislature and must be specified in the appropriations act
17 appropriating funds to the community colleges for each biennium.

18 (I) "General education FTE" means the FTE derived from nondual enrollment students in courses
19 determined by the commissioner of higher education to not be career and technical education, based on
20 national standard course classifications.

21 (m) "Inflationary factor" means the percentage calculated pursuant to 20-9-326, not to exceed 3%
22 and subject to final determination by the legislature as specified in the appropriations act appropriating funds to
23 the community colleges for each biennium

(n) "Weighted FTE" means, for each FTE category, the sum of the FTE in each that FTE category multiplied by the corresponding FTE weighting factor.

3 (a) For the first year of the next biennium, multiply the adjusted base by the inflationary factor for
4 the first year of the next biennium, and to this number for each FTE category add the result of multiplying:

5 (i) any change in the projected weighted resident-FTE changes for the first year of the next
6 biennium from the actual weighted resident-FTE in the base year; and

7 (ii) the FTE decrease funding factor or the FTE increase funding factor as appropriate for the first
8 year of the next biennium.

9 (b) For the second year of the next biennium, multiply the adjusted base by the inflationary factor
10 for the first year of the next biennium, multiply this result by the inflationary factor for the second year of the
11 next biennium, and to this number for each FTE category add the result of multiplying:

12 (i) any change in the projected weighted resident-FTE changes for the second year of the next
13 biennium from the actual weighted resident-FTE in the base year; and

14 (ii) the FTE decrease funding factor or the FTE increase funding factor as appropriate for the
15 second year of the next biennium."

Section 3. Section 20-15-328, MCA, is amended to read:

"20-15-328. Adjustments based on actual weighted FTE -- special revenue account -- statutory

appropriation -- annual transfer. (1) There is a community college FTE adjustment account in the state special revenue fund provided for in 17-2-102. The account is statutorily appropriated, as provided in 17-7 to the commissioner of higher education for the purposes described in this section.

(2) Beginning at the end of fiscal year 2024 2025, at the end of each fiscal year the commissioner
shall determine the fiscal impacts resulting from the weighted FTE projections on which that fiscal
year's state appropriation to a community college was based, pursuant to 20-15-310, and the fiscal impacts that
would have resulted had the actual weighted FTE for that fiscal year been used to determine that fiscal year's
state appropriation and shall determine any overpayment or underpayment to the community college for that
year.

4 (a) the commissioner shall distribute any net underpayment determined under this subsection (3)
5 to a community college from the community college FTE adjustment account by October July 15 of the current
6 calendar year; or

10 (4) (a) By August 1 each year, after overpayments have been received and underpayments have
11 been made, any funds remaining in the account must be transferred into the general fund.

12 (b) If the amount of underpayments exceeds the amount of overpayments, the state treasurer shall
13 transfer the difference of the payments from the general fund to this account for providing underpayments
14 pursuant to subsection (3)."

15

17 "20-25-428. Tribal college payment for services provided to resident nonbeneficiary students.

18 (1) Subject to a line item appropriation for purposes of this section, the regents shall provide a payment to tribal
19 colleges for enrolled resident nonbeneficiary students who are taking courses for which credit is transferable to
20 another Montana college or university.

21 (2) (a) Each tribal college shall apply to the regents for this payment. Except as provided in
22 subsection (7), the money must be distributed on a prorated basis according to the eligible resident
23 nonbeneficiary student enrollment in each tribal college during the previous year.

24 (b) To qualify, a resident nonbeneficiary student must meet the residency requirements as
25 prescribed for the system by the regents and must be enrolled in courses for which credit is transferable to
26 another Montana college or university.

27 (c) The distribution for any resident nonbeneficiary student payment must be limited to a maximum
28 annual amount of \$3,280 \$4,183 for each full-time equivalent student.

1 (3) A payment is contingent on the tribal college:

2 (a) being accredited or being a candidate for accreditation by the northwest commission on
3 colleges and universities;

4 (b) entering into a contract or a state-tribal cooperative agreement, pursuant to Title 18, chapter
5 11. with the regents to provide the regents with documentation on:

6 (i) the number of resident nonbeneficiary students for whom the tribal college is entitled to a
7 payment under this section; and

8 (ii) the curriculum to ensure that the content and quality of courses offered by the tribal college are
9 consistent with the standards adopted by the system;

10 (c) providing the regents with documentation that credits for the courses in which the resident
11 nonbeneficiary students are enrolled will be accepted at another Montana college or university; and

12 (d) filing with the regents evidence that the college's enrollment of Indian students is at least 51%,
13 as required by the Tribally Controlled Community College Assistance Act of 1978, 25 U.S.C. 1804.

14 (4) (a) By June 15 of each year, a tribal college shall report to the regents the number of eligible
15 resident nonbeneficiary students who attended the tribal college in that academic year.

16 (b) By August 15 of each year, the regents shall calculate the payment for each tribal college
17 based on the number of eligible students submitted pursuant to subsection (4)(a) and distribute the funds to
18 tribal colleges.

(5) If funding is available pursuant to subsection (1), the legislature intends that the money be an

⁶¹ See also the related discussion in section (1) that compares the two types of fiscal rules.

(8) The calculation in subsection (7) is not intended to allow the university system to retain the calculated amount of funds. Waivers must be given to eligible students.

(9) As used in this section, "resident nonbeneficiary student" means a resident of the state of

1 Montana who is not:

2 (a) a member of an Indian tribe; or

3 (b) a biological child of a member of an Indian tribe, living or deceased."

4

5 **NEW SECTION. Section 5. Interim studies by interim budget committee.** During the interim

6 following the 69th legislative session, the education budget committee provided for in 5-12-501 shall direct:

7 (1) a study of the educational and fiscal impact of state funding to support interlibrary resource

8 sharing programs across the state's public, school, academic, special, and tribal libraries; and

9 (2) a comprehensive study of the organization and structure of the office of public instruction.

10

11 **NEW SECTION. Section 6. Reporting.** The following agencies shall provide quarterly reports to the

12 education budget committee established in 5-12-501 as follows:

13 (1) the Montana historical society shall provide updates on the Montana 250th commission

14 activities;

15 (2) the office of public instruction shall provide updates on:

16 (a) the transformational learning program if House Bill No. 573 is passed and approved;

17 (b) the implementation of the high-quality instructional materials initiative if House Bill No. 462 is

18 passed and approved;

19 (c) the office of public instruction's database modernization project and associated information

20 technology projects; **and**

21 (d) implementation of revised math content standards; **and**

22 (e) **all expenditures from the in-state treatment appropriation in House Bill No. 2;**

23 (3) the Montana digital academy shall provide updates on the frontier learning lab initiative if

24 funded in House Bill No. 2;

25 (4) the office of the commissioner of higher education shall provide updates on the activities of the

26 NAGPRA-Repatriation support team if funded in House Bill No. 2; and

27 (5) the school for the deaf and blind shall report on the school's education initiative for the

28 professional development of interpreters. The school shall also report on any funds expended in the previous

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- 2025

69th Legislature 2025

Drafter: Julie Johnson,

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1 and current quarter and the purpose of those expenditures.

2

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

5

6 **COORDINATION SECTION. Section 8. COORDINATION INSTRUCTION -- DIRECTIONS TO CODE**

7 **COMMISSIONER. IF BOTH HOUSE BILL NO. 252 AND [THIS ACT] ARE PASSED AND APPROVED, THE CODE COMMISSIONER**
8 **IS DIRECTED TO CHANGE "QUALITY EDUCATOR" TO "QUALITY EDUCATOR AND QUALIFIED STAFF" IN TITLE 5, TITLE 20, AND**
9 **ALL LEGISLATION ENACTED BY THE 2025 LEGISLATURE WHENEVER A REFERENCE TO "QUALITY EDUCATOR" APPEARS IN**
10 **RELATION TO THE QUALITY EDUCATOR PAYMENT PROVIDED FOR IN 20-9-327.**

11

12 **COORDINATION SECTION. Section 9. COORDINATION INSTRUCTION. IF BOTH HOUSE BILL No. 515 AND**
13 **[THIS ACT] ARE PASSED AND APPROVED AND IF BOTH CONTAIN A SECTION THAT AMENDS 20-9-516, THEN THE SECTIONS**
14 **AMENDING 20-9-516 ARE VOID AND 20-9-516 MUST BE AMENDED AS FOLLOWS:**

15 **"20-9-516. School facility and technology account -- statutory appropriation for school**
16 **technology purposes.** (1) There is a school facility and technology account in the state special revenue fund
17 provided for in 17-2-102. The purpose of the account is to provide, contingent on appropriation from the
18 legislature, funding for the following in priority order:

19 (a) school technology purposes as provided in 20-9-534 subsection (3);
20 (b) contingent on appropriation from the legislature, other technology purposes;
21 (c) contingent on appropriation from the legislature, school major maintenance aid as provided in
22 20-9-525; and
23 (b)(d) contingent on appropriation from the legislature, state debt service assistance as provided in
24 20-9-371.

25 (2) There must be deposited in the account:
26 (a) an amount of money equal to the income attributable to the difference between the average
27 sale value of 18 million board feet and the total income produced from the annual timber harvest on common
28 school trust lands during the fiscal year; and

NEW SECTION. Section 10. Effective date. [This act] is effective July 1, 2025.

NEW SECTION. **Section 11. Termination.** [Sections 5 and 6] terminate December 31, 2026.

- END -