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15 **Section 1.** Section 20-9-516, MCA, is amended to read:
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.
21 (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).
26 (3) If in any fiscal year the amount of revenue in the school facility and technology account is
27 sufficient to fund debt service assistance without a proration reduction pursuant to 20-9-346(2)(b) and if in that

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

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

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

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

10 (i) (A) plus the payment made to the community college for the base year due to an increase in
the actual FTE over projected FTE applying the FTE increase funding factor pursuant to 20-15-328(3)(a); or

12 (B) minus the FTE increase funding factor divided by the FTE decrease funding factor times the
payment made to the state reversion when actual FTE is lower than projected FTE applying the FTE decrease
funding factor to the difference for the base year pursuant to 20-15-328(3)(b); and

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

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

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

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

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

Amendment - 1st Reading/2nd House-blue - Requested by: Carl Glimm - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0864.002.003

1 categories.

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

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

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

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

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

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

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

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

27 (n) "Weighted FTE" means, for each FTE category, the sum of the FTE in each that FTE category

Amendment - 1st Reading/2nd House-blue - Requested by: Carl Glimm - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0864.002.003

1 multiplied by the corresponding FTE weighting factor.

2 (2) It is the intent of the legislature that all community college spending, other than from restricted
3 funds, designated funds, or funds generated by an optional, voted levy, be governed by the provisions of this
4 part and the state general appropriations act.

5 (3) The state general fund appropriation for each community college must be determined as
6 follows:

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

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

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

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

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

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

20

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

22 **"20-15-328. Adjustments based on actual ~~weighted~~-FTE -- special revenue account -- statutory
23 appropriation -- annual transfer.** (1) There is a community college FTE adjustment account in the state
24 special revenue fund provided for in 17-2-102. The account is statutorily appropriated, as provided in 17-7-502,
25 to the commissioner of higher education for the purposes described in this section.

26 (2) Beginning at the end of fiscal year 2024 2025, at the end of each fiscal year the commissioner
27 of higher education, utilizing the FTE decrease funding factor and the FTE increase funding factor as

1 appropriate, shall determine the fiscal impacts resulting from the ~~weighted~~ FTE projections on which that fiscal
2 year's state appropriation to a community college was based, pursuant to 20-15-310, and the fiscal impacts that
3 would have resulted had the actual ~~weighted~~ FTE for that fiscal year been used to determine that fiscal year's
4 state appropriation and shall determine any overpayment or underpayment to the community college for that
5 fiscal year.

6 (3) At the end of each odd fiscal year, the commissioner shall calculate the ~~net~~ underpayment or
7 overpayment resulting from the underpayment or overpayment of the prior fiscal year and current fiscal year
8 determined under subsection (2) and:

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

12 (b) a community college receiving a ~~net~~ overpayment determined under this subsection (3) shall
13 pay a fee equal to the overpayment to the commissioner by ~~October~~ July 15 of the current calendar year for
14 deposit in the community college FTE adjustment account.

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

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

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21 **Section 4.** Section 20-25-428, MCA, is amended to read:

22 **"20-25-428. Tribal college payment for services provided to resident nonbeneficiary students.**

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

26 (2) (a) Each tribal college shall apply to the regents for this payment. Except as provided in
27 subsection (7), the money must be distributed on a prorated basis according to the eligible resident

Amendment - 1st Reading/2nd House-blue - Requested by: Carl Glimm - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0864.002.003

1 nonbeneficiary student enrollment in each tribal college during the previous year.

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

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

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

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

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

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

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

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

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

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

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

25 (5) If funding is available pursuant to subsection (1), the legislature intends that the money be an
26 amount in addition to the system budget approved in the general appropriations act.

27 (6) All funds appropriated under subsection (1) that are unspent revert to the state general fund.

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

9 (a) a member of an Indian tribe; or
10 (b) a biological child of a member of an Indian tribe, liv

12 **NEW SECTION. Section 5. Interim studies by interim budget committee.** During the interim
13 following the 69th legislative session, the education budget committee provided for in 5-12-501 shall direct:

14 (1) a study of the educational and fiscal impact of state funding to support interlibrary resource
15 sharing programs across the state's public, school, academic, special, and tribal libraries; and

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

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

20 (1) the Montana historical society shall provide updates on the Montana 250th commission
21

(2) the office of public instruction shall provide updated, accurate, and relevant information to the public on the status of the state's water quality.

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

24 (b) the implementation of the high-quality instructional materials initiative if House Bill No. 462 is
25 passed and approved;

26 (c) the office of public instruction's database modernization project and associated information
27 technology projects; and

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

COORDINATION SECTION. SECTION 8. COORDINATION INSTRUCTION -- DIRECTIONS TO CODE

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

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

22 "20-9-516. School facility and technology account -- statutory appropriation for school
23 technology purposes. (1) There is a school facility and technology account in the state special revenue fund
24 provided for in 17-2-102. The purpose of the account is to provide, ~~contingent on appropriation from the~~
25 legislature, funding for the following in priority order:

26 (a) school technology purposes as provided in 20-9-534 subsection (3);
27 (b) contingent on appropriation from the legislature, other technology purposes;

Amendment - 1st Reading/2nd House-blue - Requested by: Carl Glimm - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0864.002.003

1 (c) contingent on appropriation from the legislature, school major maintenance aid as provided in

2 20-9-525; and

3 (b)(d) contingent on appropriation from the legislature, state debt service assistance as provided in

4 20-9-371.

5 (2) There must be deposited in the account:

6 (a) an amount of money equal to the income attributable to the difference between the average

7 sale value of 18 million board feet and the total income produced from the annual timber harvest on common

8 school trust lands during the fiscal year; and

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

10 (c) earnings from the school facilities fund within the coal severance tax trust fund as provided in

11 17-5-703; and

12 (d) if applicable, excess interest and income revenue as provided in 20-9-622.

13 (3) (a) The amount of \$1 million a year is statutorily appropriated, as provided in 17-7-502, from

14 the school facility and technology account established in this section for grants for school technology purposes.

15 (b) By the last working day in August, the superintendent of public instruction shall allocate a

16 portion of the \$1 million for school technology purposes to each district based on the ratio that each district's

17 BASE budget bears to the statewide BASE budget amount for all school districts for the purposes of 20-9-533.

18 (3) If in any fiscal year the amount of revenue in the school facility and technology account is

19 sufficient to fund debt service assistance without a proration reduction pursuant to 20-9-346 (2)(b) and if in that

20 same fiscal year the amount of revenue available in the school major maintenance aid account established in

21 20-9-525 will result in a proration reduction in school major maintenance aid pursuant to 20-9-525 (5) for that

22 fiscal year, the state treasurer shall transfer any excess funds in the school facility and technology account to

23 the school major maintenance aid account not to exceed the amount required to avoid a proration reduction."

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

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

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- END -

AMEND