1	HOUSE BILL NO. 83
2	INTRODUCED BY CAMPBELL
3	BY REQUEST OF THE OFFICE OF PUBLIC INSTRUCTION
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE SCHOOL DISTRICT TUITION LAWS; REQUIRING
6	THE SUPERINTENDENT OF PUBLIC INSTRUCTION TO PAY TUITION FOR CHILDREN WHO ATTEND
7	SCHOOL OUTSIDE OF THE DISTRICT OF RESIDENCE BECAUSE OF PLACEMENT IN FOSTER CARE OR
8	A GROUP HOME; ELIMINATING THE REQUIREMENT THAT A SCHOOL DISTRICT REPORT THE NUMBER
9	OF OUT-OF-DISTRICT STUDENTS ATTENDING SCHOOL IN THE DISTRICT BECAUSE OF GEOGRAPHIC
10	CONDITIONS; ELIMINATING THE REQUIREMENT FOR THE COUNTY SUPERINTENDENT TO PAY TUITION
11	ON BEHALF OF THE STATE UNDER CERTAIN CONDITIONS; ESTABLISHING A TUITION PAYMENT
12	SCHEDULE FOR DISTRICTS THAT PAY TUITION; CLARIFYING WHERE A DISTRICT MUST CREDIT
13	TUITION RECEIPTS; REQUIRING THE SUPERINTENDENT OF PUBLIC INSTRUCTION TO PAY TUITION
14	AND TRANSPORTATION COSTS FOR A CHILD WITH A DISABILITY; PROVIDING AN APPROPRIATION;
15	AMENDING SECTIONS 20-3-205, 20-5-321, 20-5-324, 20-7-420, 20-9-212, AND 20-9-335, AND 20-10-105,
16	MCA; AND PROVIDING AN EFFECTIVE DATE."
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18	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
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20	Section 1. Section 20-3-205, MCA, is amended to read:
21	"20-3-205. Powers and duties. The county superintendent has general supervision of the schools of
22	the county within the limitations prescribed by this title and shall perform the following duties or acts:
23	(1) determine, establish, and reestablish trustee nominating districts in accordance with the provisions
24	of 20-3-352, 20-3-353, and 20-3-354;
25	(2) administer and file the oaths of members of the boards of trustees of the districts in the county in
26	accordance with the provisions of 20-3-307;
27	(3) register the teacher or specialist certificates or emergency authorization of employment of any
28	person employed in the county as a teacher, specialist, principal, or district superintendent in accordance with
29	the provisions of 20-4-202;
30	(4) act on each tuition and transportation obligation submitted in accordance with the provisions of
	Legislative Services - 1 - Division

Services Division HB0083.02

1 20-5-323 and 20-5-324: 2 (5)(4) file a copy of the audit report for a district in accordance with the provisions of 20-9-203; 3 (6) (5) classify districts in accordance with the provisions of 20-6-201 and 20-6-301; 4 (7)(6) keep a transcript of the district boundaries of the county; 5 (8)(7) fulfill all responsibilities assigned under the provisions of this title regulating the organization, 6 alteration, or abandonment of districts; 7 (9)(8) act on any unification proposition and, if approved, establish additional trustee nominating districts 8 in accordance with 20-6-312 and 20-6-313; 9 (10)(9) estimate the average number belonging (ANB) of an opening school in accordance with the 10 provisions of 20-6-502, 20-6-503, 20-6-504, or 20-6-506; 11 (11)(10) process and, when required, act on school isolation applications in accordance with the 12 provisions of 20-9-302; 13 (12)(11) complete the budgets, compute the budgeted revenue and tax levies, file final budgets and 14 budget amendments, and fulfill other responsibilities assigned under the provisions of this title regulating school 15 budgeting systems; 16 (13)(12) submit an annual financial report to the superintendent of public instruction in accordance with 17 the provisions of 20-9-211; 18 (14)(13) monthly, unless otherwise provided by law, order the county treasurer to apportion state money, 19 county school money, and any other school money subject to apportionment in accordance with the provisions 20 of 20-9-212, 20-9-347, 20-10-145, or 20-10-146; 21 (15)(14) act on any request to transfer average number belonging (ANB) in accordance with the 22 provisions of 20-9-313(3); 23 (16)(15) calculate the estimated budgeted general fund sources of revenue in accordance with the 24 general fund revenue provisions of the general fund part of this title; 25 (17)(16) compute the revenue and compute the district and county levy requirements for each fund 26 included in each district's final budget and report the computations to the board of county commissioners in 27 accordance with the provisions of the general fund, transportation, bonds, and other school funds parts of this 28 title; 29 (18)(17) file and forward bus driver certifications, transportation contracts, and state transportation 30 reimbursement claims in accordance with the provisions of 20-10-103, 20-10-143, or 20-10-145; Legislative

- 2 -

Authorized Print Version - HB 83

HB0083.02

1 (19)(18) for districts that do not employ a district superintendent or principal, recommend library book 2 and textbook selections in accordance with the provisions of 20-7-204 or 20-7-602; 3 (20)(19) notify the superintendent of public instruction of a textbook dealer's activities when required 4 under the provisions of 20-7-605 and otherwise comply with the textbook dealer provisions of this title; 5 (21)(20) act on district requests to allocate federal money for indigent children for school food services 6 in accordance with the provisions of 20-10-205; 7 (22)(21) perform any other duty prescribed from time to time by this title, any other act of the legislature, 8 the policies of the board of public education, the policies of the board of regents relating to community college 9 districts, or the rules of the superintendent of public instruction; 10 (23)(22) administer the oath of office to trustees without the receipt of pay for administering the oath; 11 (24)(23) keep a record of official acts, preserve all reports submitted to the superintendent under the 12 provisions of this title, preserve all books and instructional equipment or supplies, keep all documents applicable 13 to the administration of the office, and surrender all records, books, supplies, and equipment to the next 14 superintendent; 15 (25)(24) within 90 days after the close of the school fiscal year, publish an annual report in the county 16 newspaper stating the following financial information for the school fiscal year just ended for each district of the 17 county: 18 (a) the total of the cash balances of all funds maintained by the district at the beginning of the year; 19 (b) the total receipts that were realized in each fund maintained by the district; 20 (c) the total expenditures that were made from each fund maintained by the district; and 21 (d) the total of the cash balances of all funds maintained by the district at the end of the school fiscal 22 year; and 23 (26)(25) hold meetings for the members of the trustees from time to time at which matters for the good 24 of the districts must be discussed." 25 26 Section 2. Section 20-5-321, MCA, is amended to read: 27 "20-5-321. Attendance with mandatory approval -- tuition and transportation. (1) An out-of-district 28 attendance agreement that allows a child to enroll in and attend a school in a Montana school district that is 29 outside of the child's district of residence or in a public school district of a state or province that is adjacent to 30 the county of the child's residence is mandatory whenever: Legislative - 3 -Authorized Print Version - HB 83 Services Division

(a) the child resides closer to the school that the child wishes to attend and more than 3 miles from the
school the child would attend in the resident district and the resident district does not provide transportation; or
(b) (i) the child resides in a location where, due to because of geographic conditions between the child's
home and the school that the child would attend within the district of residence, it is impractical to attend school
in the district of residence, as determined by the county transportation committee based on the following criteria:
(A) the length of time that is in excess of the 1-hour limit for each bus trip for an elementary child as

7 authorized under 20-10-121;

8 (B) whether distance traveled is greater than 40 miles one way from the child's home to school on a dirt
9 road or greater than a total of 60 miles one way from the child's home to school in the district of residence over
10 the shortest passable route; or

(C) whether the condition of the road or existence of a geographic barrier, such as a river or mountain
 pass, causes a hazard that prohibits safe travel between the home and school.

(ii) The decision of the county transportation committee is subject to appeal to the superintendent of public instruction, as provided in 20-3-107, but the decision must be considered as final for the purpose of the payment of tuition under 20-5-324(6) <u>20-5-324(5)(a)(ii)</u> until a decision is issued by the superintendent of public instruction. The superintendent of public instruction may review and rule upon a decision of the county transportation committee without an appeal being filed.

(c) the child is a member of a family that is required to send another child outside of the elementary district to attend high school and the child of elementary age may more conveniently attend an elementary school where the high school is located, provided that the child resides more than 3 miles from an elementary school in the resident district or that the parent is required to move to the elementary district where the high school is located to enroll another child in high school. A child enrolled in an elementary school pursuant to this subsection (1)(c) may continue to attend the elementary school after the other child has left the high school.

(d) the child is under the protective care of a state agency or has been adjudicated to be a youth in need
of intervention or a delinquent youth, as defined in 41-5-103; or

(e) the child is required to attend school outside of the district of residence as the result of a placementin foster care or a group home licensed by the state.

(2) (a) Whenever a parent or guardian of a child, an agency of the state, or a court wishes to have a
 child attend a school under the provisions of this section, the parent or guardian, agency, or court shall complete
 an out-of-district attendance agreement in consultation with an appropriate official of the district that the child



HB0083.02

1 will attend.

2 (b) The attendance agreement must set forth the financial obligations, if any, for costs incurred for tuition
3 and transportation as provided in 20-5-323 and Title 20, chapter 10.

4 (c) (i) The trustees of the district of choice may waive any or all of the tuition rate. The trustees of the
5 district of choice may waive the tuition for all students whose tuition is required to be paid by one type of entity
6 and may charge tuition for all students whose tuition is required to be paid by another type of entity. However,
7 any waiver of tuition must be applied equally to all students whose tuition is paid by the same type of entity.

8 (ii) As used in this subsection (2)(c), "entity" means a parent, <u>a</u> guardian, the trustees of the district of
9 residence, or a state agency.

(3) Except as provided in subsection (4), the trustees of the resident district and the trustees of the
 district of choice <u>attendance</u> shall approve the out-of-district attendance agreement and notify the county
 superintendent of schools of the county of the child's residence of the approval of the agreement within 10 days.
 The county superintendent shall approve the agreement for payment under 20-5-324(5). The trustees of the
 <u>district of attendance shall:</u>

15 (a) notify the county superintendent of schools of the county of the child's residence of the approval of

16 the agreement within 10 days; and

(b) submit the agreement for a student attending under the provisions of subsection (1)(d) or (1)(e) to
 the superintendent of public instruction for approval for payment under 20-5-324.

(4) Unless the child is a child with a disability who resides in the district, the trustees of the district where
 the school to be attended is located may disapprove an out-of-district attendance agreement whenever they find
 that, due to because of insufficient room and overcrowding, the accreditation of the school would be adversely
 affected by the acceptance of the child."

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24 Section 3. Section 20-5-324, MCA, is amended to read:

25 "20-5-324. Tuition report and payment provisions -- exemption. (1) At Following the close of the
 26 school term of each school fiscal year and before July 15, the trustees of a district shall report to the county
 27 superintendent of public instruction:

(a) the name and district of residence of each child who is attending attended a school of the district
 under a mandatory out-of-district attendance agreement approved under the provisions of 20-5-321(1)(b),
 <u>20-5-321(1)(d)</u>, or (1)(e) in the previous school year;



1 (b) the number of days of enrollment for each child reported under the provisions of subsection (1)(a); 2 (c) the annual tuition rate for each child's tuition payment, as determined under the provisions of 3 20-5-323, and the tuition cost for each reported child reported under the provisions of subsection (1)(a); 4 (d) the names, districts of attendance, and amount of tuition to be paid by the district for resident 5 students attending public schools out of state in the previous school year; and 6 (e) the names, schools of attendance, and amount of tuition to be paid by the district for resident 7 students attending day-treatment programs under approved individualized education programs at private, 8 nonsectarian schools in the previous school year. 9 (2) The county superintendent shall send, as soon as practicable, the reported information to the county 10 superintendent of the county in which a reported child resides. Subject to the limitations of 20-5-323, the 11 superintendent of public instruction shall: 12 (a) pay the district of attendance the amount of the tuition obligation reported under subsection (1)(c), 13 prorated for the actual days of enrollment; 14 (b) determine the total per-ANB entitlement for which the district would have been eligible if the students 15 reported in subsections (1)(d) and (1)(e) had been enrolled in the resident district in the prior year; and 16 (c) reimburse the district of residence for the state portion of the per-ANB entitlement for each student, 17 not to exceed the district's actual payment of tuition or fees for service for the student in the previous year. 18 (3) Before July 30, the county superintendent shall report the information in subsections (1)(d) and (1)(e) 19 to the superintendent of public instruction, who shall determine the total per-ANB entitlement for which the district 20 would be eligible if the student were enrolled in the resident district. The reimbursement amount is the difference 21 between the actual amount paid and the amount calculated in this subsection In order to be eligible to receive 22 payment under subsection (2), the trustees of the district of attendance shall submit the report required by 23 subsection (1) within the school fiscal year following the year of attendance. 24 (4) Notwithstanding the requirements of subsection (5)(a), tuition payment provisions for out-of-district 25 placement of students with disabilities must be determined pursuant to Title 20, chapter 7, part 4. 26 (5) (a) (i) When a child has approval to attend a school outside the child's district of residence at the 27 resident district's expense under the provisions of 20-5-320 or 20-5-321(1)(a) or (1)(b) or when a child has 28 approval to attend a day-treatment program under an approved individualized education program at a private, 29 nonsectarian school located in or outside of the child's district of residence, the district of residence shall finance 30 the tuition amount from the district tuition fund and any transportation amount from the transportation fund. Legislative



- (ii) By December 31 of the school fiscal year following the year of attendance, the district of residence
 shall pay at least one-half of any tuition and transportation obligation established under subsection (5)(a)(i) out
 of the money realized to date from the district tuition or transportation fund. The remaining tuition and
 transportation obligation must be paid by June 15 of the school fiscal year following the year of attendance.
- (b) When a child has approval to attend a school outside the child's district of residence <u>because of a</u>
 parent's or guardian's request under the provisions of <u>20-5-320 or</u> 20-5-321(1)(c), the parent or guardian of the
 child shall finance the tuition and transportation amount.
- 8 (6) When a child has mandatory approval under the provisions of 20-5-321(1)(d) or (1)(e), the tuition 9 and transportation obligation for an elementary school child attending a school outside of the child's district of 10 residence must be financed by the basic county tax for elementary equalization, as provided in 20-9-331, for the 11 child's county of residence or for a high school child attending a school outside the district of residence by the 12 basic county tax for high school equalization, as provided in 20-9-333, for the child's county of residence.
- 13 (7) By December 31 of the school fiscal year, the county superintendent or the trustees shall pay at least 14 one-half of any tuition and transportation obligation established under this section out of the money realized to 15 date from the appropriate elementary or high school county equalization fund provided for in 20-9-335 or from 16 the district tuition or transportation fund. The remaining tuition and transportation obligation must be paid by June 17 15 of the school fiscal year. The payments must be made to the county treasurer in each county with a school 18 district that is entitled to tuition and transportation. Except as provided in subsection (9), the county treasurer 19 shall credit tuition receipts to the general fund of a school district entitled to a tuition payment. The tuition receipts 20 must be used in accordance with the provisions of 20-9-141. The county treasurer shall credit transportation 21 receipts to the transportation fund of a school district entitled to a transportation payment.
- (8) The superintendent of public instruction shall reimburse the district of residence for the per-ANB
 entitlement determined in subsection (3).
- 24 (9)(6) (a) Except as provided in subsections (6)(b) through (6)(d), the district shall credit tuition receipts
 25 to the district general fund and transportation receipts to the transportation fund.
- 26 (b) Any tuition receipts received under the provisions of 20-5-323(3) for the current school fiscal year 27 that exceed the tuition receipts of the prior year may be deposited in the district miscellaneous programs fund 28 and must be used for that year in the manner provided for in 20-9-507 to support the costs of the program for 29 which the tuition was received.

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(b)(c) Any tuition receipts received for the current school fiscal year for a pupil who is a child with a

Legislative Services Division

1 disability that exceed the tuition amount received for a pupil without disabilities may be deposited in the district 2 miscellaneous programs fund and must be used for that year in the manner provided for in 20-9-507 to support 3 the costs of the program for which the tuition was received. 4 (c)(d) Any other tuition receipts received for the current school fiscal year that exceed the tuition receipts 5 of the prior year may be deposited in the district miscellaneous programs fund and may be used for that year 6 in the manner provided for in that fund. For the ensuing school fiscal year, the receipts must be credited to the 7 district general fund budget. 8 (7) The reimbursements paid under subsection (2)(c) must be deposited into the district tuition fund and 9 must be used by the district to pay obligations for resident students attending public schools out of state or for 10 resident students attending day-treatment programs under approved individualized education programs at 11 private, nonsectarian schools at district expense.

(10)(8) The provisions of this section do not apply to out-of-state placements made by a state agency
 pursuant to 20-7-422."

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Section 4. Section 20-7-420, MCA, is amended to read:

16 **"20-7-420. Residency requirements -- financial responsibility for special education.** (1) In 17 accordance with the provisions of 1-1-215, a child's district of residence for special education purposes is the 18 residence of the child's parents or of the child's guardian if the parents are deceased, unless otherwise 19 determined by the court. This applies to a child living at home, in an institution, or under foster care. If the parent 20 has left the state, the parent's last-known district of residence is the child's district of residence.

(2) The county of residence superintendent of public instruction is financially responsible for tuition and
 transportation as established under 20-5-323 and 20-5-324 for a child with a disability, as defined in 20-7-401,
 who attends school outside the district and county of residence because the student has been placed by a state
 agency in a foster care or group home licensed by the state. The county of residence superintendent of public
 instruction is not financially responsible for tuition and transportation for a child who is placed by a state agency
 in an out-of-state public school or an out-of-state private residential facility.

(3) If an eligible child, as defined in 20-7-436, is receiving inpatient treatment in an in-state residential
treatment facility or children's psychiatric hospital, as defined in 20-7-436, and the educational services are
provided by a public school district under the provisions of 20-7-411 or 20-7-435, the superintendent of public
instruction shall reimburse the district providing the services for the negotiated amount, as established pursuant



HB0083.02

to 20-7-435(5), that represents the district's costs of providing education and related services. Payments must be made from funds appropriated for this purpose. If the negotiated amount exceeds the daily membership rate under 20-7-435(3) and any per-ANB amount of direct state aid, the superintendent of public instruction shall pay the remaining balance from available funds. However, the amount spent from available funds for this purpose may not exceed \$500,000 during a biennium.

6 (4) A state agency that makes a placement of a child with a disability is responsible for the financial 7 costs of room and board and the treatment of the child. The state agency that makes an out-of-state placement 8 of a child with a disability is responsible for the education fees required to provide a free appropriate public 9 education that complies with the requirements of Title 20, chapter 7, part 4."

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Section 5. Section 20-9-212, MCA, is amended to read:

"20-9-212. Duties of county treasurer. The county treasurer of each county:

(1) must receive and shall hold all school money subject to apportionment and keep a separate
accounting of its apportionment to the several districts that are entitled to a portion of the money according to
the apportionments ordered by the county superintendent or by the superintendent of public instruction. A
separate accounting must be maintained for each county fund supported by a countywide levy for a specific,
authorized purpose, including:

18 (a) the basic county tax for elementary equalization;

19 (b) the basic county tax for high school equalization;

20 (c) the county tax in support of the transportation schedules;

21 (d) the county tax in support of the elementary and high school district retirement obligations; and

(e) any other county tax for schools, including the community colleges, that may be authorized by lawand levied by the county commissioners.

(2) whenever requested, shall notify the county superintendent and the superintendent of public
instruction of the amount of county school money on deposit in each of the funds enumerated in subsection (1)
and the amount of any other school money subject to apportionment and apportion the county and other school
money to the districts in accordance with the apportionment ordered by the county superintendent or the
superintendent of public instruction;

(3) shall keep a separate accounting of the receipts, expenditures, and cash balances for each fund;
(4) except as otherwise limited by law, shall pay all warrants properly drawn on the county or district

Legislative Services Division

1 school money;

(5) must receive all revenue collected by and for each district and shall deposit these receipts in the
fund designated by law or by the district if a fund is not designated by law. Interest and penalties on delinquent
school taxes must be credited to the same fund and district for which the original taxes were levied.

(6) shall send all revenue received for a joint district, part of which is situated in the county, to the county
treasurer designated as the custodian of the revenue, no later than December 15 of each year and every 3
months after that date until the end of the school fiscal year;

8 (7) at the direction of the trustees of a district, shall assist the district in the issuance and sale of tax and 9 revenue anticipation notes as provided in Title 7, chapter 6, part 11;

(8) shall register district warrants drawn on a budgeted fund in accordance with 7-6-2604 when there
is insufficient money available in all funds of the district to make payment of the warrant. Redemption of
registered warrants must be made in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

(9) when directed by the trustees of a district, shall invest the money of the district within 3 working daysof the direction;

(10) each month, shall give to the trustees of each district an itemized report for each fund maintained
by the district, showing the paid warrants, registered warrants, interest distribution, amounts and types of
revenue received, and the cash balance;

(11) shall remit promptly to the department of revenue receipts for the county tax for a
vocational-technical program within a unit of the university system when levied by the board of county
commissioners under the provisions of 20-25-439;

(12) shall invest the money received from the basic county taxes for elementary and high school equalization, the county levy in support of the elementary and high school district retirement obligations, and the county levy in support of the transportation schedules within 3 working days of receipt. The money must be invested until the working day before it is required to be distributed to school districts within the county or remitted to the state. Permissible investments are specified in 20-9-213(4). All investment income must be deposited, and credited proportionately, in the funds established to account for the taxes received for the purposes specified in subsections (1)(a) through (1)(d).

(13) shall remit on a monthly basis to the department of revenue, as provided in 15-1-504, all county
 equalization revenue received under the provisions of 20-9-331 and 20-9-333, including all interest earned and
 excluding any amount required for tuition paid under the provisions of 20-5-324(6) or (7), in repayment of the



state advance for county equalization prescribed in 20-9-347. Any funds in excess of a state advance must be
used as required in 20-9-331(1)(b) and 20-9-333(1)(b)."

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Section 6. Section 20-9-335, MCA, is amended to read:

5 **"20-9-335. Formula for apportionment of county equalization money.** (1) The superintendent of 6 public instruction shall calculate the apportionment of revenue available in the elementary and high school 7 county equalization funds in accordance with the following procedure:

8 (a) determine the percentage that the county equalization money available for the support of the 9 elementary direct state aid of the districts in the county is of the total elementary direct state aid of all districts 10 in the county;

(b) multiply the elementary direct state aid amount of each district by the percentage determined in
 subsection (1)(a) to determine the portion of the county equalization money available to each school district.

(2) The procedure in subsection (1) must also be applied for the high school direct state aid after the
 deduction of the county's obligation for tuition paid under the provisions of 20-5-324(6) and (7).

(3) Territory situated within a county may not be excluded from the calculations of the county
equalization money under this section solely because the territory lies within the boundaries of a joint district.
Cash balances to the credit of any district at the end of a school fiscal year may not be considered in the
apportionment procedure prescribed in this section.

(4) The county equalization money reported under these procedures is the first source of revenue forfinancing the elementary and high school direct state aid payments."

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SECTION 7. SECTION 20-10-105, MCA, IS AMENDED TO READ:

23 "20-10-105. Determination of residence. When the residence of an eligible transportee is a matter 24 of controversy and is an issue before a board of trustees, a county transportation committee, or the 25 superintendent of public instruction, the residence must be established on the basis of the general state 26 residence law as provided in 1-1-215. Whenever a county the state is determined to be responsible for paying 27 tuition for any pupil in accordance with 20-5-321 through 20-5-323, the residence of the pupil for tuition purposes 28 is the residence of the pupil for transportation purposes."

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NEW SECTION. Section 8. Appropriation. There is appropriated \$336,000 from the general fund to



1	the superintendent of public instruction for the biennium beginning July 1, 2005, to pay the tuition and
2	transportation costs required under 20-5-324(2) and 20-7-420.
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4	NEW SECTION. Section 9. Effective date. [This act] is effective July 1, 2005.
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