

K-12 EDUCATION

2013 LEGISLATIVE SESSION

**SUMMARY OF LEGISLATION
RELATED TO K-12 EDUCATION**

Prepared by
Office of Public Instruction



opi.mt.gov

TABLE OF CONTENTS

	Page
Accreditation/Curriculum.....	3
Appropriations.....	5
At-Risk Youth.....	11
Elections.....	15
Employment Relations.....	17
Governance.....	26
Higher Ed.....	29
Safety.....	30
School Finance.....	33
State Lands	43
Index of K-12 Education Related Bills.....	44

PLEASE NOTE: This document contains brief summaries of bills relating to K-12 education that were considered by the Montana Legislature during the 2013 Legislative Session. The summaries are not offered as legal advice nor as a definitive interpretation of these bills. For a more comprehensive understanding of these laws, please consult the original legislation.

This summary is posted on the OPI website at:
<http://www.opi.mt.gov/pdf/Superintendent/2013LegSummary.pdf>

ACCREDITATION/CURRICULUM

HB 52 Ed Lieser

Rename the agriculture in Montana schools fund

Chapter: 34 Effective Date: 10/1/13

HB 52 amends 15-30-2388, MCA and 15-30-2389, MCA to rename the Agriculture in Montana Schools Program as the Agriculture Literacy in Montana Schools Program.

HB 203 Christy Clark

Revise direct state aid to public libraries

Chapter: 244 Effective Date: 7/1/13

HB 203 continues the distribution of state aid to public libraries and public library districts on a per capita and per square mile basis. However, the bill establishes a formula for increasing the distribution as the state's population grows. The amount of state aid is determined by multiplying 40 cents by the total number of Montana residents as determined by the most recent decennial census. The funding is statutorily appropriated from the general fund to the state library commission for distribution as state aid to public libraries.

HB 2 contains an appropriation to the state library commission for FY 2014 and FY 2015 that is equal to the amount of funding determined by the new formula. The statutory appropriation will be effective beginning July 1, 2015.

HJ 14 Tom Jacobson

Recommend financial literacy course in high schools

Chapter: N/A Effective Date: N/A

HJ 14 urges the Board of Public Education (BPE) to include the successful completion of a financial literacy course as a requirement for graduation. HJ 14 defines the elements of a financial literacy course as financial responsibility and decision-making; basic financial functions, including skills such as opening a bank account and writing a check; income and careers; planning and money management; credit and debt management, including the fundamentals of purchasing, saving, investing, and borrowing; risk management and insurance; how to avoid becoming a victim of predatory lending, financial scams, and other forms of financial exploitation; financial planning for higher education; and financial planning for retirement.

HJ 14 is a recommendation to the BPE as only the BPE has the constitutional and statutory authority to define the minimum graduation requirements for a Montana high school diploma.

SB 340 John Brenden

Require a US flag in every school classroom

Chapter: 266 Effective Date: 4/22/13

SB 340 requires that an American-made flag, measuring approximately three feet by five feet, be displayed in every classroom no later than 7/1/2014. Districts are encouraged to work with local civic groups to acquire flags through donation, and this requirement is waived if a district is unable to obtain a flag from a civic group. Also, copies of the United States Constitution, the United States Bill of Rights, and the Montana Constitution must be made available in every classroom for grades 7 through 12. These documents must be printed in the United States or be made available electronically. Likewise, districts are encouraged to collaborate with local civic groups to acquire these documents, but if they are unable to do so, the requirement may be waived.

SB 342 Jonathan Windy Boy

Establish Montana Indian language preservation pilot program

Chapter: 410 Effective Date: 5/6/13

Senate Bill 342 establishes a language preservation pilot program administered by the State-Tribal Economic Development Commission in collaboration with the Montana Historical Society, Montana public television organizations, the state director of Indian affairs, and each tribal government located on the seven Montana reservations and the Little Shell Chippewa Tribe. The program is established to support efforts of Montana tribes to preserve language in the form of spoken, written, or sign language. Any cultural and intellectual property rights from program efforts belong to the tribe. Use of the cultural and intellectual property may be negotiated between the tribe and other partnering entities. There is a one-time-only appropriation of \$1 million/year for the 2015 biennium.

APPROPRIATIONS

HB 2 Duane Ankney

General Appropriations Act

Chapter: 380 Effective Date: 7/1/13

HB 2 contains the majority of state agency appropriations for the biennium beginning July 1, 2013. These appropriations include \$856.845 million in FY 2014 and \$886.517 million in FY 2015 for distributions of state and federal aid to local education agencies.

The following summary describes appropriations for K-12 Education in HB 2.

K-12 EDUCATION, HB 2:

- **K-12 BASE Aid**

Appropriates \$565.030 million in FY 2014 and \$580.681 million in FY 2015 for K-12 BASE aid to implement SB 175, which sets funding levels for state support for K-12 schools. The distributions to school districts that are included in the K-12 BASE aid appropriations are the basic and per-ANB entitlements, guaranteed tax base aid, quality educator payments, Indian Education for All payments, American Indian Achievement Gap payments, data for achievement payments, natural resource development K-12 funding payment, and school district audit payments. (SB 96 reduces the HB 2 K-12 BASE Aid appropriation in FY 2015 by \$3,053,710. See SB 96 description for an explanation.)

SB 175 provides a 0.89% increase in per-ANB entitlement in FY 2014 and a 2.08% increase in FY 2015. SB 175 also restructures the basic entitlement for elementary, middle school and high school programs and creates a data for achievement payment to school districts. No increases were provided for the quality educator payment, Indian Education for All payment, or American Indian Achievement Gap payment. HB 2 increased funding for school district audit payments by \$11,556 in FY 2014 and \$17,595 in FY 2015. The At-Risk student payment is funded at an appropriation level of \$5,044,500 in FY 2014 and \$5,149,426 in FY 2015.

- **Transportation Aid**

Appropriates \$12.316 million in FY 2014 and \$12.416 million in FY 2015 for state reimbursements to school districts for pupil transportation. These appropriations increase transportation reimbursements by \$300,000 above the FY 2012 base expenditure level. The additional funding is needed to fund costs of bus routes and individual transportation contracts under current statutory mileage reimbursement rates.

- **Special Education**

Appropriates \$42.018 million in FY 2014 and \$42.892 million in FY 2015 for state special education payments to schools. These appropriations are \$1.718 million above the FY 2012 base expenditure level.

- School Facility Payments

Appropriates \$8.586 million in each year of the 2015 biennium for school facility payments to school districts that are eligible for guaranteed tax base aid and have outstanding bonded indebtedness. The appropriations maintain the state funding for school facility payments at the FY 2012 base expenditure level. These payments will be paid from the school facility and technology account established in 20-9-516, MCA.

- In-State Treatment

Appropriates \$787,800 in each year of the 2015 biennium for education services for students in in-state psychiatric residential treatment facilities. The appropriations maintain the state funding for in-state treatment at the FY 2012 base expenditure level.

- Career and Technical Education

Appropriates \$1,500,000 in each year of the 2015 biennium for secondary vocational education programs. These appropriations are \$1.0 million above the FY 2012 base expenditure level.

- Adult Basic Education

Appropriates \$525,000 in each year of the 2015 biennium for adult basic education programs. The appropriations maintain the state funding for adult basic education at the FY 2012 base expenditure level.

- Gifted and Talented Grant Program

Appropriates \$250,000 in each year of the 2015 biennium for school district gifted and talented programs. The appropriations maintain the state funding for gifted and talented programs at the FY 2012 base expenditure level.

- School Foods

Appropriates \$663,861 in each year of the 2015 biennium for school nutrition programs. The appropriations maintain the state funding for school nutrition programs at the FY 2012 base expenditure level.

- Reimbursement Block Grants

Appropriates \$58.569 million in FY 2014 and \$66.334 million in FY 2015 for block grants to schools and counties. The appropriations increase the state funding for block grants by \$20.501 million above the FY 2012 base expenditure level for the implementation of SB 372 (2011 session). The annual inflator for county transportation block grants is 0.76%; none of the other block grants have an annual inflator required by statute. (SB 96 appropriates an additional \$7,931,719 in FY 2015 for reimbursements to school districts, the county retirement fund, and the county transportation fund.)

- State Tuition Payments

Appropriates \$785,658 in each year of the 2015 biennium for tuition payments to schools that enroll students placed by state agencies or courts under mandatory attendance agreements. The appropriations are \$112,327 above the FY 2012 base expenditure level.

- At-Risk Student Payment

Appropriates \$5,044,500 in FY 2014 and \$5,149,426 in FY 2015 for at-risk student payments under 20-9-328, MCA to the school district general funds. The appropriations are \$193,926 above the FY 2012 base expenditure level.

- Traffic and Safety Education

Appropriates \$750,000 in each year of the 2015 biennium for driver's education programs provided by school districts. The appropriations maintain the state funding for traffic education programs at the FY 2012 base expenditure level. Traffic and Safety Education revenues are generated from a percentage of the driver's license fee and commercial driver's license fees.

- Advancing Agricultural Education in Montana

Appropriates \$128,960 in each year of the 2015 biennium from the state general fund to school districts to support secondary agricultural education programs and to implement 20-7-334, MCA.

- Chapter 55 Professional Development and Stipends

Appropriates \$250,000 in each year of the 2015 biennium for stipends to mentoring programs in schools. This one-time-only appropriation provides stipends to mentors and mentees to support their professional development.

- School Technology

Appropriates \$1 million general fund for the 2015 biennium for distribution to schools for technology acquisition under 20-9-534, MCA. This one-time-only appropriation will be distributed to schools in FY 2014 for deposit in the technology fund and is in addition to the statutory appropriation of \$1 million annually for the same purpose.

- State School Oil and Natural Gas Impact Account

Appropriates \$1 million in FY 2014 and \$700,000 in FY 2015 for distribution of discretionary grants to school districts that are receiving oil and natural gas production taxes in an amount less than 20% of the district's maximum general fund budget and are impacted by oil and natural gas development. The actual amount available for distribution to schools is determined by the revenues deposited into the state school oil and natural gas impact account.

- Federal Grant Awards

Appropriates \$150.164 million in FY 2014 and \$151.724 million in FY 2015 for distribution of federal education grant monies to school districts. This spending authority represents an increase of \$16.643 million over the FY 2012 base expenditure level. Increases are projected for federal school foods programs, Title I – School Improvement, and the Individuals with Disabilities Act. In addition, the HB 2 provides a one-time-only appropriation of \$14.951 million for the Striving Readers Comprehensive Literacy grant. This grant will end in 09/30/2014.

OFFICE OF PUBLIC INSTRUCTION (OPI) OPERATIONS AND TECHNICAL ASSISTANCE TO SCHOOLS, HB 2:

- **OPI Agency Budget**

Appropriates \$10.033 million in FY 2014 and \$10.049 million in FY 2015 from state general fund dollars for OPI state level activities. The legislature funded the statewide present law adjustment for the agency and imposed a 6% vacancy savings requirement for personal services.

- **Montana Digital Academy**

The appropriations are increased by \$715,000 in FY 2014 and \$750,000 in FY 2015 for operation of the Montana Digital Academy (MTDA), which is located on the campus of the University of Montana. The digital academy makes distance learning opportunities available to K-12 students through public school districts. The FY 2012 base expenditure level for MTDA is \$1,168,000 and is included the line item for the OPI Agency Budget.

- **National Board Certified Teachers**

The appropriations are increased by \$27,000 for FY 2014 and by \$57,000 for FY 2015 over the FY 2012 base expenditure level of \$18,000. The funding is for stipends to teachers who achieve certification from the national board for professional teaching standards.

- **Disaster Recovery**

Appropriates \$45,324 in FY 2014 for the purchase of IT network storage devices and computer servers that would be needed to recover the agency's information systems in the event of a disaster that incapacitates the agency's Helena location.

This appropriation is one-time only.

- **Audiological Services**

Appropriates \$452,084 in each year of the 2015 biennium to fund the Hearing Conservation Program, which contracts with audiology service providers to screen and identify children with hearing impairments. The appropriations increase funding by \$68,186 in each year over the FY 2012 base expenditure level.

- **Chapter 55 – School Accreditation Standards**

Appropriates \$92,513 in FY 2014 and \$88,793 in FY 2015 to fund 1.0 FTE to provide assistance to school district personnel for the implementation of Chapter 55, Standards of Accreditation. This appropriation is one-time only.

- **Staffing for OPI Information Systems**

Appropriates \$155,422 in FY 2014 and \$148,717 in FY 2015 to fund 1.5 FTE to support the collection and processing of information from school districts and provide for system security and protection of student privacy. This appropriation is one-time only.

- **School-Based Mental Health**

Appropriates \$109,725 in FY 2014 and \$105,959 in FY 2015 to contract for services to coordinate functions for school-based mental health care by working with key state agencies and mental health providers to integrate mental health programming in the schools. This appropriation is one-time only.

- **Striving Readers – Federal Grant**

Appropriates \$393,458 in each year of the 2015 biennium for state level activities associated with the Striving Readers Comprehensive Literacy grant. The funding will be used to implement a Montana Literacy Plan that makes provisions for literacy at all age/grade levels, including challenging transitions from preschool to elementary, elementary to middle school, and middle school to high school. These (transitions) must be aligned to Montana Standards for English Language Arts and Montana Early Learning Guidelines, involve collaborating with other agencies, and address literacy across the content areas.

The OPI is statutorily appropriated from the state guarantee account. The amount available for distribution is estimated to be \$60.748 million in FY 2014 and \$58.738 million in FY 2015 for K-12 BASE aid payments and \$1.0 million in FY 2014 and \$1.0 million in FY 2015 for grants for school technology purchases. Revenues for the state guarantee account are generated from state school trust lands and streambed rent payments. The guarantee account is the first source of funding for the K-12 BASE aid, and monies from the guarantee account offset expenditures that would otherwise be paid from the state general fund.

HB 3 Duane Ankney

Supplemental Appropriations

Chapter: 293 Effective Date: 4/25/13

HB 3 provides supplemental general fund appropriations to meet the state's legal obligations for the fiscal year ending June 30, 2013. The bill funds \$178,698 to reimburse school districts for tuition obligations associated with state placements of students in public schools, \$39,899,927 for K-12 BASE Aid obligations, and \$3,683,002 for school block grants to fund obligations incurred under SB 372 (2011 session). Any unspent appropriation reverts to the state general fund at the end of FY 2013.

HB 4 Duane Ankney

Appropriations by budget amendment

Chapter: 294 Effective Date: 4/25/13

HB 4 extends spending authority into the 2015 biennium for the Striving Readers grant OPI received from the U.S. Department of Education. The federal grant award continues into state fiscal years 2014 and 2015.

HB 15 Edith McClafferty

School facility grant program

Chapter: 325 Effective date: 7/1/2013

HB 15 appropriates the following amounts from the state school facility and technology account to the Montana Department of Commerce:

- \$11,418,642 for public school facilities projects under the Quality Schools Facility Grant Program. Grants for 30 projects are specifically listed in the bill.
- \$100,000 for emergency grants to public school districts for emergency school facility projects defined by 90-6-803, MCA.
- \$900,000 for matching grants to public school districts for planning facilities projects defined in 90-6-803, MCA.

HB 15 directs the department to apply the criteria listed in 90-6-811, MCA to applications for school facility projects giving preference to school facility projects involving repairs to existing facilities over projects involving construction of new facilities. A high priority is to address deferred maintenance by repairing or replacing existing building components that are inoperable or difficult to service or that lack minimum integrity. HB 15 authorizes the department to charge reasonable administrative costs for administering the grant program and pay these costs from the school technology and facility account. By July 15, 2013, the state treasurer must transfer the amount of \$149,850 from the orphan share state special revenue account to the school facility and technology state special revenue account.

HB 86 Jesse O'Hara

Revise funding allocations for career and vocational/technical education

Chapter: 276 Effective Date: 7/1/13

HB 86 appropriates \$1,000,000 for the 2015 biennium to the OPI to enhance student access to Career and Technical Student Organizations (CTSOs) by increasing the staffing capacity of six of the state organizations and providing financial support for student activities. By strengthening the statewide organizations, the state is striving to increase graduation rates, enhance student leadership opportunities, develop workforce skills, and facilitate transitions to postsecondary education and employment for all participating students; ensure alignment of activities of local career and technology student organizations with nationally affiliated programs and activities; and provide a base of funding for the statewide coordination of state-approved career and technology student organizations.

HB 210 Edie McClafferty

Revise Montana digital academy funding and provide an appropriation

Chapter: 179 Effective Date: 4/12/13

HB 210 appropriates \$300,000 to the OPI for the Montana Digital Academy for the fiscal year ending June 30, 2013. Any remaining funds that are unencumbered as of June 30, 2013 must revert to the state general fund.

AT-RISK YOUTH

HB 123 Keith Regier

Revise developmental disability laws

Chapter: 68 Effective Date: 10/1/13

HB 123 revises developmental disability laws by replacing the term “mental retardation” with the term “intellectual disability.”

HB 131 Jenifer Gursky

Allow mandatory reporters of child abuse and neglect to receive information

Chapter: 337 Effective Date: 10/1/13

HB 131 provides that the Department of Public Health and Human Services may share some information about an investigation (outcome and action to be taken on behalf of the child) with a mandatory reporter of child abuse or neglect, who must maintain confidentiality of the information.

HB 313 Casey Schreiner

Revise school truancy laws

Chapter: 281 Effective Date: 7/1/13

HB 313 amends Sections 20-5-104, 20-5-105, 20-5-106 and 45-5-103, MCA.

Amendments to 20-5-104, MCA require first and second class districts (defined in 20-6-201, MCA), with a dropout rate higher than the statewide average dropout rate as calculated by OPI, to appoint a district staff person as an attendance officer. Second class (at or below the statewide average dropout rate) and third class districts may appoint a district staff as an attendance officer, or if an attendance office is not appointed, the county superintendent must be the attendance officer of second and third class districts.

Amendments to 20-5-105, MCA makes all the powers and duties of an attendance officer subject to district policy and makes all such powers and duties discretionary as determined by such policy.

An amendment to 20-5-106, MCA defines ‘truant/truancy’ as “the persistent nonattendance without excuse, as defined by district policy, for all or any part of a school day equivalent to the length of one class period of a child required to attend a school under 20-5-103.” The section outlines actions that may be taken by a district attendance officer such as: make reasonable effort to notify the parent, guardian, or other responsible person of the student’s truancy regarding the consequences of the alleged truancy; require the parent, guardian, or other responsible person to meet with the school district to develop a truancy plan; and, if a truancy plan is not adhered to, refer the matter to the appropriate prosecuting

attorney. Maximum fines against a convicted parent, guardian or person responsible for the care of the child were increased from \$20 to \$100, with the possibility of 20 hours of community service, or \$100 bond conditioned upon cooperation with implementing a truancy plan with the district. Maximum jail time for failure to comply with an order of the court related to truancy was decreased to 3 days. This section also provides that the attendance officer may refer a habitually truant child (see definition below) to youth court where the child may be adjudicated a youth in need of intervention pursuant to the youth court act, 41-5-101, et seq.

Section 41-5-103 of the Youth Court Act was amended to define “habitual truancy” as “recorded unexcused absences of 9 or more days or 54 or more parts of a day, whichever is less, in 1 school year.”

HB 583 Rob Cook

Establish Montana Suicide Review Team

Chapter: 353 Effective Date: 7/1/13

HB 583 creates the Montana suicide review team to study the incidence and causes of suicides in Montana and to make recommendations for community or statewide change, if appropriate, that may help prevent future deaths. The team consists of six members appointed by the governor and the suicide prevention officer provided for in 53-21-1101, MCA who shall serve as a nonvoting member. Members of the team must include a psychiatrist, psychologist, clinical social worker or clinical professional counselor, and a member of the clergy. The remaining two members must be appointed from among the following: a registered nurse, a physician assistant; a representative of a tribal health department nominated by the tribal government; a representative of the U.S. Department of Veterans Affairs; a representative of an organization that advocates for individuals with mental illness and their family members; a law enforcement representative; a forensic pathologist; or a county coroner. The team will provide a report to the governor before the end of each biennium that summarizes the review team's work and recommendations.

HB 583 appropriates \$67,000 in each year of the 2015 biennium to the Department of Public Health and Human Services for carrying out the activities of the Montana Suicide Review Team. The legislation terminates on June 30, 2016.

SB 65 Art Wittich

Revise laws relating to confidentiality of child abuse and neglect reports

Chapter: 61 Effective Date: 10/1/13

SB 65 amends 41-3-205, MCA to broaden the list of persons to whom the Department of Public Health and Human Services may release child abuse or neglect case records to include a “grandparent, aunt, uncle, brother, sister” or a “mandatory reporter provided for in 41-3-201(2).” The department is also now required to provide specified information upon request from any reporter of alleged child abuse or neglect. The following subsection is added to 41-3-202, MCA: “The department shall, upon request from

any reporter of alleged child abuse or neglect, verify whether the report has been received, describe the level of response and timeframe for action that the department has assigned to the report, and confirm that it is being acted upon.”

SB 203 Edward Buttrey

Enter into interstate compact on educational opportunity for military children

Chapter: 321 Effective Date: 10/1/13

SB 203 establishes Montana’s participation in the Interstate Compact on Educational Opportunity for Military Children. The purpose of the interstate compact is to remove barriers to success for children of military families. Participation in the compact will facilitate a student’s school placement process, the student’s eligibility for enrollment in educational programs and extracurricular activities, and the student’s on-time graduation.

The compact applies to the children of active duty members of the uniformed services, which includes members of the National Guard and reserve on active duty. The compact also applies to the children of members of the uniformed services who have recently retired, have been injured, or have died.

If a student’s official education records cannot be sent to the parents for the purpose of transfer, the unofficial records, which contain uniform information as determined by the Interstate Commission, will be sent from the sending school to the student’s receiving school. The compact establishes rules allowing students to remain in the grade of the sending state. It also allows students to be placed in the next highest grade in the receiving state if they have completed the previous grade requirements in the sending state.

A local education agency may not charge tuition to a military child living with a noncustodial parent, and a military child may continue to attend school while living with a noncustodial parent. State and local education agencies are responsible for facilitating the opportunity for military children to participate in extracurricular activities, regardless of application deadlines, provided that the child is qualified to participate.

In order to facilitate graduation, the school in the receiving state must waive course requirements if similar course work has been completed at the previous school or provide another way for the student to complete the courses without missing graduation.

As a member of the compact, Montana is required to create a state council or use an existing body or board to act as a state council to provide for the coordination among agencies of government, local education agencies, and military installations. The membership can be determined by the state, but must, at a minimum include the following voting members:

- Superintendent of Public Instruction, who serves as chairperson
- Superintendent of a school district that has a high concentration of military children
- Representative of a military installation, appointed by the Governor
- A legislator, appointed by the senate president

- Representative of the executive branch of government, appointed by the Governor
- Any other individuals recommended by the majority of the members of the state council

The following nonvoting members:

- The compact commissioner
- The military family education liaison

The member states agree to participate in the Interstate Commission on Educational Opportunity for Military Children. The Commission charges an annual assessment from member states of \$2 multiplied by the number of military children in the state. For the 2011-12 school year, Montana had 1,741 eligible students. The estimated annual cost of joining the Interstate Compact is \$3,482.

The Governor will appoint a compact commissioner who is responsible for the administration and management of the state's participation in the compact. The state will appoint a military family education liaison. The Montana Department of Military Affairs is responsible for paying all expenses incurred by the state's participation in the compact, including the reimbursement of actual and necessary expenses incurred by members of the state council.

By July 1, 2014, representatives from the Great Falls school district, Helena school district, and a member of the military shall provide, singly or jointly, shall provide a report to the senate president, the speaker of the house, and the education and local government interim committee

The act terminates June 30, 2015.

ELECTIONS

HB 120 Pat Ingraham

Generally revise election laws

Chapter: 336 Effective Date: 1/1/14

HB 120 revises election laws and clarifies procedures for registering for, voting by, and counting an absentee ballot; allows late registration for school elections when held in conjunction with another election that allows late registration; requires an oath be placed in the declaration for nomination for a candidate in a primary contest; revises the ballot requirements and selection process of precinct committee position; revises the process for collecting a ballot from certain disabled electors; revises the provisions for posting bonds required for certain recounts; eliminates the provision that prohibits certain religious officials and corporate officers from participating in certain election activities; and requires tie votes in precinct committee elections to be determined by the county central committee. Candidates may use electronic mail to file a declaration of nomination or a declaration of intent to be a write-in candidate.

HB 124 Jesse O'Hara

Clarify exemption for school districts and special districts in elections

Chapter: 202 Effective Date: 10/1/13

HB 124 amends 13-37-206, MCA to clarify that campaign contribution limits under 13-37-216, MCA apply to a school board candidate, a candidate's political committee, or a committee organized to support a school district issue regardless of the size of the school district.

HB 457 Jean Price

Providing for school district recount boards for school elections

Chapter: 255 Effective Date: 10/1/13

HB 457 provides for a 3-member school election recount board when a school election requires a recount as per 13-16-201, MCA. HB 457 details the membership of the board and includes related definitions. The school recount board is appointed by the chair of the board of trustees if there are more than three members on the board. If the chair is a candidate in the election, the board shall choose another trustee by majority vote to be the presiding officer to appoint three members to the school recount board. If an appointed member to the recount board cannot serve or attend recount board meetings, the presiding officer may appoint one of the following to serve for this member: 1) school district clerk, 2) school district clerk's designee, 3) count superintendent, or 4) the county superintendent's designee. No candidate for an office for which the votes are to be recounted may serve on the school recount board. The school district clerk is secretary of the school recount board, and the board may appoint school district employees or hire any additional clerks as needed.

HB 510 Pat Ingraham
Eliminate requirement for annual absentee forms
Chapter: 255 Effective Date: 10/1/13

HB 510 changes the requirement of confirming a voter's intent to vote absentee from annually to biennially.

SB 405 Alan Olson
Referendum to revise close of late voter registration
Chapter: 270 Effective Date: Effective on approval by electorate

SB 405 submits to the qualified electors of Montana a legislative referendum to eliminate same-day voter registration. If approved at the general election in November 2014, voters will subsequently have to register to vote by 5 p.m. on the Friday before the election.

SJ 14 Alan Olson
Resolution requesting an interim study of local government election procedures
Chapter: N/A Effective Date: N/A

SJ 14 requests an interim legislative study of local government and school district election laws and procedures to identify opportunities to combine elections. The study proposes to examine existing dates, deadlines, and other procedures in Montana law that would require adjustment in order to conduct combined elections; and changes that election administrators would need to implement to combine primary and school elections. The study is to be concluded prior to September 15, 2014 and the final results reported to the 64th Legislature.

EMPLOYMENT RELATIONS

HB 13 Kathy Swanson

State employee pay plan

Chapter: 385 Effective date: 7/1/13

HB 13 generally revises laws governing state employee compensation. HB 13 appropriates funding in a lump sum to the legislative, judicial, and executive branches as well as the Montana University System to be used to increase the base pay for each employee. As directed by the legislature, "the base pay of employees must be increased as determined by the executive branch, with particular attention given to the lower pay bands and those who did not receive a base pay increase during the biennium beginning July 1, 2011." The bill also increases the employer contribution for employee group benefits from \$733 per month to \$806 per month beginning January 1, 2014 and to \$887 per month beginning January 1, 2015.

HB 13 clarifies that per 2-18-1205, MCA, state employees who are terminated due to a reduction in force are entitled to remain covered by the state's group health insurance plan and to the continuation of the employer's contribution for six months from the date of the layoff or until the employee becomes employed.

A major change to 2-18-301, MCA will result in new salary sources for the biennial salary survey conducted by the Department of Administration. The new language in the bill directs that an analysis and comparison of the municipal and state governments of North Dakota, South Dakota, Wyoming, and Idaho, from the national compensation association of state government's salary survey, be developed to compare Montana state government salary and benefits.

By December 31, 2013, and December 31, 2014, each agency must report to the legislative finance committee and the legislative fiscal analyst on the implementation of pay increases under 2-18-303 and the impacts of them on the lower pay bands.

HB 54 Pat Ingraham

Revise teacher's retirement system administrative and tax qualification laws

Chapter: 366 Effective Date: 7/1/13

HB 54 generally revises administrative and federal tax qualification provisions of the Teachers' Retirement System (TRS). It clarifies definitions and terminology related to termination of employment, such as, requiring that a member's highest average compensation be based on years that all "required contributions" have been made. It makes changes to the definition of positions reportable to the retirement systems. It also clarifies termination pay procedures, required by IRS rules. HB 54 makes changes in return to work for TRS retirees. In accordance with IRS rules, the result of IRS required documents every 5 years, there was a change to the "normal retirement age" increasing from 55 to 60.

Jurisdiction and venue for judicial review of TRS board administrative decisions is the first judicial district, Lewis and Clark County, unless otherwise stipulated by the parties.

HB 78 Keith Regier

Clarify break in service requirements for postretirement employment under TRS

Chapter: 238 Effective Date: 7/1/13

HB 78 amends provisions related to the TRS in order to meet plan qualifications required by the Internal Revenue Service. The bill requires a mandatory 150 day break in service for TRS retirees who are returning to work in a TRS covered position. A retired member who first applies for retirement benefits, or applies for resumed or recalculated retirement benefits pursuant to 19-20-733, MCA based on a date of termination of January 1, 2014 or later may not be employed in a position reportable to TRS until the employee has a break in service of 150 calendar days commencing on the first day following the member's date of termination. HB 78 does not affect the emergency provision for reemployment of certain retired teachers, specialists and administrators established in 19-20-732, MCA.

HB 95 Franke Wilmer

Require contributions on working retiree compensation

Chapter: 239 Effective Date: 7/1/13

HB 95 requires employers to pay the contributions on working retirees in the Public Employee Retirement System (PERS). Beginning July 1, 2013, each employer shall contribute the amount specified in 19-3-316, MCA and the state shall contribute the amount specified in 19-3-319, MCA for retired members who return to work in a covered position but who have not become active members. Retired members who return to active service are subject to the employee, employer, and state contributions set forth in 19-3-315, 19-3-316, and 19-3-319, MCA. HB 95 does not change working retiree hours or compensation benefits, and employee contributions are not required.

HB 97 Franke Wilmer

Cap highest/final average compensation in MPERA retirement systems

Chapter: 386 Effective Date: 7/1/13

HB 97 excludes bonuses provided to a PERS member after July 1, 2013 from the calculation of the member's highest/final average compensation. For purposes of calculating retirement benefits, compensation excludes bonuses provided after July 1, 2013 that are one-time, temporary payments in addition to and not considered part of base pay. HB 97 establishes a 110% cap on compensation considered as part of a member's highest or final average compensation. The cap applies to members of all systems hired on or after July 1, 2013.

HB 105 Tom Steenberg**Generally revise MPERA retirement system laws concerning plan administration****Chapter: 178 Effective Date: 7/1/13**

HB 105 makes changes to retirement, disability, and death benefits and payments. It revises provisions related to optional membership, service credit, and reemployment. It also corrects terminology and internal references and eliminated expired provisions.

An active or inactive member may apply for disability retirement. However, an application may also be filed on the member's behalf by the head of the office or department in which the member is or was last employed, by any other individual, or by the board. The application must be filed within 4 months after the member's termination from employment unless the member is disabled continuously from the date of termination from employment to the date of the application.

The accumulated contributions of a vested or non-vested member that are not claimed within 5 years after the member's death are forfeited and revert to the retirement system trust fund.

For the purposes of limited reemployment under 19-3-1106, MCA employment covered by the retirement system includes work performed by a retiree through a professional employer arrangement, an employee leasing arrangement, or a temporary service contractor and services performed by a retiree as an independent contractor for an employer participating in the system.

HB 122 Bryce Bennett**Ensure federal IRS qualification of MPERA retirement systems****Chapter: 240 Effective Date: 4/22/13**

HB 122 brings the public employees' retirement system into compliance with changes in IRS codes and federal regulations. HB 122 amends the definitions of "normal retirement age" and "governmental entities." These statutory changes are required to remain a qualified retirement plan.

HB 226 Donald Jones**Exempt computer professionals from overtime pay****Chapter: 150 Effective Date: 10/1/13**

HB 226 excludes computer information technology professionals who earn \$27.63 an hour or more from overtime laws. The list of positions include computer systems analyst, computer programmer, software engineer, network administrator, or other similarly skilled computer employee.

HB 259 Chuck Hunter

Revising professional, occupational licensing terms regarding military training

Chapter: 310 Effective Date: 4/26/13

HB 259 requires licensing boards under the Department of Labor and Industry in Title 37 adopt rules providing that requirements established by the board or program may be met by relevant military training, service, or education.

HB 377 Tom Woods

Increase contributions and funding for TRS, revise GABA

Chapter: 389 Effective Date: 7/1/13

HB 377 amends statutes related to the TRS with the goal of returning the system to a position of actuarially sound funding without raising contract impairment issues for current members.

Membership in TRS is now divided into two tiers. A Tier One member is a person who became a member before July 1, 2013 and who has not withdrawn the member's account balance. A Tier Two member is a person who became a member on or after July 1, 2013, or, after withdrawing the member's account balance, became a member again on or after July 1, 2013.

For a Tier One member,

- The annual contribution rate is 7.15% of the member's earned compensation.
- The supplemental contribution rate is 1%. The TRS board may decrease the rate when certain criteria are met for improving the actuarial valuation of the system.
 - The calculation of average final compensation for Tier One members is the average of the earned compensation paid in 3 consecutive years of full-time service that yields the highest average.
 - The guaranteed annual benefit adjustment (GABA) for Tier One members cannot exceed 0.5% if the most recent actuarial valuation shows that retirement system liabilities are less than 90% funded. If the most recent actuarial valuation shows that retirement system liabilities are at least 90% funded and the provision of the increase is not projected to cause the system's liabilities to be less than 85% funded, the GABA may increase from the 0.5% floor up to 1.5%, as set by the retirement board.
 - A Tier One member is eligible to receive a service retirement if the member has been credited with at least 5 full years of creditable service and has attained the age of 60; or has been credited with full-time or part-time creditable service in 25 or more years.
 - A Tier One member who is not eligible for service retirement but who has been credited with 5 years of creditable service and has attained the age of 50 is eligible for an early retirement allowance.

For a Tier Two member,

- The annual contribution rate is 8.15% of the member's earned compensation.
- Starting on or after January 1, 2023, the board may require a Tier Two member to contribute a supplemental amount of up to 0.5% if the following three conditions are met:
 - o The average funded ratio of the system based on the last three annual actuarial valuations

is equal to or less than 80%; and

- o The period necessary to amortize all liabilities of the system based on the latest annual actuarial valuation is greater than 20 years; and
- o A state or employer contribution rate increase or a flat dollar contribution to the retirement system trust fund has been enacted that is equivalent to or greater than the supplemental contribution rate imposed by the board pursuant to this subsection
 - The calculation of average final compensation for Tier Two members is the average of the earned compensation paid in 5 consecutive years of full-time service that yields the highest average.
 - The GABA for Tier Two members may be decreased to 0.5% if the most recent actuarial valuation shows that retirement system liabilities are less than 90% funded. If the most recent actuarial valuation shows that retirement system liabilities are at least 90% funded and the provision of the increase is not projected to cause the system's liabilities to be less than 85% funded, the TRS board may increase the GABA from the 0.5% floor up to 1.5%.
 - A Tier Two member is eligible to receive a service retirement if the member has been credited with at least 5 full years of creditable service and has attained the age of 60; or has been credited with full-time or part-time creditable service in 30 or more years and has attained the age of 55.
 - A Tier Two member who has been credited with 30 or more years of creditable service and has attained the age of 60 is eligible for a professional retirement option allowance.
 - A Tier Two member who is not eligible for service retirement but who has at least 5 years of creditable service and has attained the age of 55 is eligible for an early retirement allowance.
 - A Tier Two member is not eligible for disability retirement if the member is or will be eligible for service retirement on or before the member's date of termination. A disability retirement application filed by a member who is ineligible for disability retirement will be processed as an application for a service retirement allowance.

Any change to the supplemental contribution rate for a tier one or tier two member is effective on the first day of July following the board's determination.

- **Employer Supplemental Contributions**

HB 377 requires each employer to contribute a supplemental amount to TRS equal to a specified percentage of total earned compensation of each member. For FY 2014 the employer supplemental contribution rate is 1%. For fiscal years 2014-2024, the employer supplemental contribution rate increases by 0.1% each year. For fiscal years beginning after June 30, 2024, the employer supplemental contribution rate is 2%. The board may increase or decrease the employer supplemental contribution rate after June 30, 2024, if the certain conditions are met.

Any change to the supplemental employer contribution rate is effective on the first day of July following the board's determination.

- **State Supplemental Contributions**

Each month, under existing law, the state makes a supplemental contribution to the TRS from the general fund to the pension fund. The contribution amount is equal to 2.49% of the total earned compensation of school district and community college active members participating in the system. Under HB 377, the state

will contribute an additional \$25 million annually as a supplemental contribution to the TRS.

- **20% Operating Reserve Limit for School District Retirement Fund**

HB 377 lowers the school district retirement fund operating reserve limit from 35% to 20% of the final retirement fund budget for the ensuing school fiscal year. By October 1, 2013, the trustees of a school district are required to pay monies from the school district's retirement fund to the TRS the greater amount of:

- The amount earmarked as an operating reserve on the adopted retirement fund budget for fiscal year 2013 minus 20% of the adopted retirement fund budget for fiscal year 2013; or
- The retirement fund balance for fiscal year 2013 minus the allowable retirement fund operating reserve for fiscal year 2014.

- **State Transportation Reimbursement**

HB 377 amends the schedule for disbursement of state transportation reimbursements by the OPI to include three payments per year. By September 1, OPI will pay school districts an amount equal to 50% of the state transportation reimbursement paid to the district in the previous school year. By March 31, OPI will pay school districts an amount equal to the approved amount of state reimbursement for first semester transportation claims minus the September 1 distribution. By June 30, OPI will pay school districts the balance of the approved amount due to the district for first and second semester transportation.

- **Appropriations**

HB 377 appropriates \$2,061,932 in FY 2014 and \$2,370,191 in FY 2015 to OPI for distribution to school districts as K-12 BASE aid to cover the increase in employer contributions associated with HB 377. The OPI will also receive funding from the Office of Budget and Program Planning to cover the increased employer contributions that OPI will be required to make for agency employees who are in positions that are covered by TRS.

HB 454 Bill McChesney

Provide funding for PERS defined benefit plan, revise GABA

Chapter: 390 Effective Date: 7/1/13

HB 454 allocates monies to the PERS Defined Benefit Trust Fund from coal severance tax collections and interest earnings on the coal tax trust fund to improve the actuarial soundness of PERS. Beginning in FY 2014, PERS will receive approximately \$15 million from the unallocated portion of coal tax severance collections. The allocation will grow by approximately 2% per year thereafter. In addition, PERS will receive up to \$21 million of interest income annually from the coal tax permanent fund until June 30, 2019. Beginning in FY 2020, interest income contributions are capped at \$24 million annually.

- **Employee contributions**

HB 454 sets the employee contribution rate at 7.9% of compensation for all PERS members. Previously the rate was 6.9% for members hired prior to July 1, 2011 and 7.9% for members hired after July 1, 2011. Under

the legislation, member contributions will be decreased to 6.9% on January 1 following the system's annual actuarial valuation, if the valuation determines that reducing the employee and employer contributions would not cause the system's amortization period to exceed 25 years.

- **Employer contributions**

Employer contributions for all members will increase by 1% on July 1, 2013 from 7.17% to 8.17%. In FY 2015 and beyond, employer contributions will increase 0.1% a year over 10 years, through FY 2024. Beginning in FY 2025, the employer contribution rate will be 9.17%. The employer additional contribution rate terminates on January 1 following the system's annual actuarial valuation, if the valuation determines that reducing the employee and employer contributions would not cause the system's amortization period to exceed 25 years. The additional contribution rate is the percentage above 6.9%.

- **Guaranteed Annual Benefit Adjustment**

HB 454 sets the guaranteed annual benefit adjustment (GABA) at 1.5% for all current and future retirees for each year that the PERS liabilities are funded at or above 90%. Previously the GABA was 3% for benefit recipients who were hired before July 1, 2007 and 1.5% for benefit recipients who were hired on or after July 1, 2007. Under the legislation, if the amortization period is under 40 years, the GABA is reduced annually by 0.1% for each 2% the retirement system liabilities are funded below 90%. If the amortization period is 40 years or greater, the GABA drops to 0% for all current and future retirees and the retirement allowance may not be increased.

- **Allocation of increased employer contribution**

The first 1% increase in employer contributions is allocated to the Defined Benefit Retirement Plan unfunded actuarial liability. The 0.1% annual additional increases, beginning July 1, 2014, are allocated first to the DCRP Plan Choice Rate, and then the DCRP long-term disability fund. DCRP is the Defined Contribution Retirement Plan.

- **Appropriations**

HB 454 appropriates \$377,500 in FY 2014 and \$431,750 in FY 2015 to OPI for distribution to school districts as K-12 BASE aid to cover the increase in employer contributions associated with HB 454. The OPI will also receive funding from the Office of Budget and Program Planning to cover the increased employer contributions that OPI will be required to make for agency employees who are in general fund positions that are covered by PERS.

HJ 17 Steve Gibson

Study resolution on state pay plans.

Chapter: N/A

Effective date: N/A

HJ 17 directs the Legislative Finance Committee, in consultation with the Legislative Council, to study the state pay plans including: what they are and how they are established; how agencies are using them to recruit, retain and compensate employees; the process of negotiating with the unions and how that process affects the state pay plans; if and how employee performance affects the salary of employees

under the plans; and what data is used to develop the pay plans and how that is generated. The study is to be concluded by September 15, 2014 and the results presented to the 64th Legislature.

SB 185 Jon Sesso

Revise veteran public employment hiring laws

Chapter: 191 Effective Date: 10/1/13

SB 185 amends the veterans' preference statute so that preference may include a guaranteed job interview for a veteran who meets the required qualifications for the position and has requested a preference, if the public employer provides a job interview preference by rule or ordinance. The bill clarifies the order of preferences between disabled veterans, people with disabilities, veterans, and others eligible for a hiring preference. The bill states "the decision of whether to guarantee a job interview is a decision to be made by a local government by ordinance."

SB 230 David Wanzenried

Revise laws governing board of speech-language pathologists and audiologists

Chapter: 162 Effective Date: 10/1/13

SB 230 revises audiology and speech-language pathology licensing by the Department of Labor and Industry and Board of Speech-Language Pathologists and Audiologists, to allow for telepractice. Any audiologist or speech-language pathologist who is licensed in the state of Montana may engage in telepractice in Montana without obtaining a separate or additional license from the board. An audiologist or speech-language pathologist who is not a resident of Montana must first obtain a license from the board prior to engaging in telepractice in the state. An audiology aide or assistant or a speech-language pathology aide or assistant may not engage in telepractice but may serve as a telepractice facilitator.

The bill defines the scope of, and requirements for, telepractice, which are the following:

- The quality of services provided through telepractice must be equivalent to quality of services that are provided in person.
- Telepractice services must conform to all existing state, federal, and institutional professional standards, policies, and requirements.
- Technology used to provide telepractice must be appropriate for the service being delivered and must address the unique needs of each patient.
- A person providing telepractice services shall comply with all state and federal laws, rules, and regulations governing the maintenance of patient records, including maintaining patient confidentiality and protecting sensitive patient data.
- A person providing telepractice services shall conduct an initial assessment of each patient's candidacy for telepractice.
- Telepractice may not be provided only through written correspondence.
- A person providing telepractice services shall provide inform each patient that he or she has the

right to refuse telepractice services and has options for service delivery.

The Board of Speech-Language Pathologists and Audiologists has the responsibility of developing standards for telepractice.

SJ 24 Edward Buttrey

Requesting an interim study of military training applicability to civilian jobs

Chapter: N/A Effective Date: N/A

SJ 24 requests an interim study on how military training may apply to professional and occupational licensing and other civilian job certification requirements. The interim committee will monitor work done by professional and occupational licensing boards regarding recognition of military training as equivalent to licensing requirements; identify and examine other certifications or licensing for civilian or state or local government jobs for which military training and skills may be acceptable equivalents; and identify statutes, if any, that may need to be amended to allow reciprocity for military training for licensure or certification. The study is to be concluded prior to September 15, 2014 with the final results of the study to be reported to the 64th Legislature.

GOVERNANCE

HB 40 Kimberly Dudik

Clarify retention of student records and school district personnel files

Chapter: 33 Effective Date: 2/20/13

HB 40 clarifies which information must remain in a student's permanent record, as required by the BPE, and which information is subject to state record retention laws. Section 20-1-212, MCA is amended to state that each student's permanent file, as defined by the BPE, must be permanently kept in a secure location. Other student records must be maintained and destroyed as provided in 20-1-212(1), MCA. In addition, personnel files must now be kept for 10 years after termination.

HB 110 Carolyn Pease-Lopez

Requiring consideration of guiding principles that have tribal implications

Chapter: 146 Effective Date: 10/1/13

HB 110 requires a state agency to document that it has considered statutory guiding principles when formulating or implementing policies or administrative rules that have direct tribal implications.

HB 182 Nancy Balance

Revise legislative goals for public schools

Chapter: 222 Effective Date: 4/18/13

HB 182 amends 20-1-102, MCA to add to the legislative goals for public schools an emphasis on literacy and numeracy, strategic reasoning, and an understanding of political, social, and economic systems of the United States and the world.

HB 258 Bridget Smith

Revise local government laws related to public notice

Chapter: 279 Effective Date: 4/24/13

HB 258 provides that when publication by notice is required, if the newspaper fails to publish a second notice, the local government unit or municipality must be considered to have met the requirements for publication, as long as the required information was submitted prior to the submission deadline, the notice was posted in three designated public places in the county or municipality, and the notice was posted on an active county or municipality website at least six days prior to the hearing or other action for which notice was required.

HJ 2 Galen Hollenbaugh

Interim study investigating state/local government electronic records management

Chapter: N/A Effective Date: N/A

HJ 2 requests an interim study to examine methods and means for improving management of and providing access to state government electronic records.

SB 2 Tom Facey

Revise certain OPI reporting requirements

Chapter: 118 Effective Date: 10/1/13

SB 2 eliminates the requirement that the Superintendent of Public Instruction publish a biennial report, if considered necessary. The bill makes permanent the requirement that the OPI report to the Governor and the Legislature on the change in status of standardized test scores, graduation rates, and drop-out rates of at-risk students and American Indian students. Both reports are to be done on a biennial basis on or before September 15 of even-numbered years.

SB 32 Tom Facey

Allow excess cash in student extracurricular funds to be invested

Chapter: 38 Effective Date: 10/1/13

SB 32 amends 20-9-504, MCA to clarify that only trustees of a district may establish a school extracurricular fund. The act allows for excess money in a school extracurricular fund to be invested in accordance with the provisions of 20-9-213(4), MCA. Any interest earned may either be credited to a general operating account within the extracurricular fund to be used to offset expenses incurred in administering the fund or distributed to the fund from which the money was withdrawn for investment.

SB 139 Edward Walker

Require small business impact analyses prior to adoption of administrative rules

Chapter: 318 Effective Date: 7/1/13

SB 139 provides that prior to adoption of a proposed rule the agency proposing the rule shall determine if the rule will significantly and directly impact small businesses, and if so, imposes specific requirements for an impact analysis. Small business means a business entity that is independently owned and operated and employs fewer than 50 full-time employees.

SB 291 Elsie Arntzen

Revise school laws related to multiple district cooperatives

Chapter: 127 Effective Date: 10/1/13

SB 291 requires a school district multidistrict cooperative agreement to include provisions for dissolution of the cooperative, including the conditions under which dissolution may occur and the disposition of any remaining funds that had been transferred to an interlocal cooperative fund in support of the cooperative.

SB 312 Jon Sonju

Revise state information technology policy

Chapter: 166 Effective Date: 10/1/13

SB 312 revises the state policy on information technology by adding that information technology is vital to the people of the state of Montana and that everything related to the state's information technology should be considered a state asset. The following principles are intended to guide the development of state information technology resources:

- Mitigation of risks is a priority in order to protect individual privacy and the privacy of information.
- Whenever it is safely possible, common data should be entered once and shared among government entities at any level or political subdivision.
- Third-party providers of data are responsible for the accuracy and integrity of the data provided to government entities.
- Government entities are required to conduct business through open, transparent processes.
- Financial incentives should be provided for citizens and businesses to use electronic government services.
- State information technology systems should embrace the economics of digitized records to avoid duplication and transportation costs.
- Electronic record procedures are to be used to create and deliver professional records management experiences for the citizens of Montana.
- State information technology systems should embrace continuous process improvement initiatives in order to allow citizens to determine when, where, and how they interact with government agencies.

SB 356 Elsie Arntzen

Clarify in-district school assignment appeal process

Chapter: 128 Effective Date: 3/29/13

SB 356 clarifies that certain school assignment decisions are subject to the school district's grievance policy. A student who has been assigned by the school board to a school outside of the adopted school boundaries applicable to the student may challenge the decision based on the school district's grievance policy. The school board's decision regarding the school assignment is final.

SR 46 Jim Peterson

Confirmation of Appointee to Board of Public Education

Chapter: N/A Effective Date: N/A

SR 46 confirmed the Governor's appointment of Paul Andersen of Bozeman, Montana, as a member of the BPE for a term ending February 1, 2020.

SR 48 Jim Peterson

Confirmation of Appointees to the Board of Regents

Chapter: N/A Effective Date: N/A

SR 48 confirmed the Governor's appointment of Major Robinson of Billings, Montana as a member of the BOR for a term ending February 1, 2018 and the appointment of Paul Tuss of Havre, Montana as a member of the Board of Regents for a term ending February 1, 2020.

HIGHER EDUCATION

HB 286 Clarena Brockie

Allowing board of regents to waive tuition and fees for certain students

Chapter: 280 Effective Date: 7/1/13

HB 286 amends 20-25-412, MCA to expand Montana University System (MUS) tuition waivers for American Indians who are one-fourth American Indian blood or more, or enrolled members of a state-recognized or federally-recognized Indian tribe in Montana. All recipients of these waivers must have been a resident of Montana one year prior to enrollment in a MUS institution.

HB 447 Rae Peppers

Provide higher education scholarships for Montana Purple Heart recipients

Chapter: 372 Effective Date: 7/1/13

HB 447 provides a \$1000 scholarship to a MUS institution to Montana purple heart recipients, who are residents of Montana and maintain at least a 2.0 GPA. HB 447 provides a \$50,000 general fund appropriation to the department of military affairs for the 2015 biennium for administration of the purple heart scholarship program.

SJ 13 Taylor Brown

Request MUS to study college completion

Chapter: N/A Effective Date: N/A

SJ 13 requests the MUS, in conjunction with the Governor, study and adopt goals and performance measures directed at increasing college completion rates. SJ 13 also requests the MUS set specific goals by July 1, 2014 to increase college completion rates, develop a state action plan for increasing completion rates, and report to the next Legislature.

SAFETY

HB 155 David Moore

Revise school bus safety laws

Chapter: 58 Effective Date: 10/1/13

HB 155 revises school bus safety laws by increasing the distance requirement in which a motor vehicle must stop before reaching a school bus when red bus lights are flashing. Section 61-1-351, MCA was amended to increase the distance requirement from not less than 15 feet to 30 feet from a stopped school bus.

HB 508 Champ Edmunds

Revise commercial drivers' license laws related to military veterans

Chapter: 254 Effective Date: 10/1/13

HB 508 allows the Department of Justice to waive the commercial driver's license skills test for a veteran with military commercial motor vehicle experience if certain conditions are met. This could impact school bus drivers in Montana school districts.

SB 112 Anders Blewett

Establish youth concussion protection laws

Chapter: 260 Effective Date: 4/22/13

SB 112 creates the Dylan Steigers Protection of Youth Athletes Act, requiring school districts offering organized youth athletic activities to adopt policies and procedures to inform athletic trainers, coaches, officials, youth athletes, and parents or guardians of the nature and risks of brain injuries including continuing to play after a concussion. It places requirements on when a youth athlete must be removed from competition if the athlete exhibits signs, symptoms, or behaviors consistent with a concussion and restrictions on when they can return to play following a concussion.

SB 161 Mitch Tropila

Change the requirements for establishing a special speed zone

Chapter: 261 Effective Date: 10/1/13

SB 161 changes the requirements for establishing a special speed zone within a school zone. When a school zone is adjacent to a state highway, the Department of Transportation is not required to base its speed limit determination solely upon the results of the engineering and traffic investigation. Additionally, when maintaining appropriate signs for special limits in a school zone, the department is instructed to

consider the use of electronic signs in lieu of, or in addition to, other appropriate signs.

SB 165 Mary Caferro

Authorize emergency use of epinephrine in a school setting

Chapter: 189 Effective 7/1/13

SB 165 allows a school, whether public or nonpublic, to maintain a stock supply of epinephrine to be used in the event of an actual or perceived anaphylaxis emergency. The act also establishes provisions regarding when a school official administering epinephrine may be held liable as a result of an injury. A school that stocks an epinephrine auto-injector must take the following steps:

- Develop a protocol related to the training of school employees, the maintenance and location of the epinephrine auto-injector, and immediate and long-term follow-up to the administration of the medicine;
- Have a prescription for the epinephrine auto-injector;
- Provide training to authorized personnel;
- Keep the epinephrine auto-injector in a secure and easily accessible location;
- Administer the epinephrine to a student or nonstudent who is experiencing a potential life-threatening anaphylactic reaction based on the protocol established by the school; and
- Inform parents or guardians about the potential use of the epinephrine auto-injector.

SB 348 Fred Thomas

Providing for an act for Montana school safety

Chapter: 364 Effective Date: various

SB 348 requires school districts to adopt a school safety plan on or before July 1, 2014, that addresses issues of school safety relating to school buildings and facilities, communications systems, and school grounds and that addresses coordination on issues of school safety, if any, with the county interdisciplinary child information and school safety team. The trustees must review the school safety plan periodically and update the plan as determined necessary by the trustees based on changing circumstances pertaining to school safety.

The trustees must also review annually its weapons policy and suspension and expulsion policies and update the policies as determined necessary to protect school safety.

SB 348 amends 2-6-102, MCA to state that a public officer may withhold from public scrutiny information relating to individual privacy or individual or public safety or security of public schools, if release of the information may jeopardize the safety of facility personnel, the public, or students in a public school.

SB 348 requires the youth court and the department of corrections to notify a school district of an enrolled student's past or current drug use or criminal activity. Section 41-5-215, MCA specifies the conditions of the notification and the individuals that must receive the notification.

SB 348 authorizes a school district to transfer state or local revenue from any budgeted or non-budgeted fund, other than the debt service fund or retirement fund, to its building reserve fund prior to June 30, 2015. The amount transferred may not exceed the school district's estimated costs of improvements to school safety and security. Allowable costs include planning for improvements to school safety, installing or updating locking mechanisms and ingress and egress systems at public school access points, installing or updating bullet-resistant windows and barriers, and installing or updating emergency response systems using contemporary technologies.

Any transfers that are not encumbered by June 30, 2015, must be transferred back to the originating fund from which the revenue was transferred. The intent of this section is to increase the flexibility and efficiency of school districts without an increase in local taxes. If transfers of funds are made from any school district fund supported by a nonvoted levy, the district may not increase its nonvoted levy for the purpose of restoring the transferred funds.

SCHOOL FINANCE

HB 39 Bill McChesney

Revise school finance laws to correct implementation problems

Chapter: 329 Effective Date: 7/1/13

HB 39 requires multidistrict agreements to include a process for a district to leave a multidistrict cooperative if the district so chooses. The bill allows districts to sign multi-year agreements of up to three years rather than requiring annual agreements. Districts may transfer monies to the multi-district cooperatives, but are prohibited from transferring monies out of the debt service fund, the retirement fund, and the compensated absence liability fund.

Under 20-9-104, MCA, districts that have an unreserved general fund balance in excess of 15% of the district's maximum general fund budget must remit the excess to the state. HB 39 allocates these excess revenues to the guarantee account (70%) and the school facility and technology account (30%). Any amounts remitted to the state are not considered expenditures to be applied against budget authority.

Under 20-9-208, MCA, districts may transfer monies between funds. HB 39 prohibits transfers out from the retirement fund and the debt service fund.

Section 20-9-235, MCA is amended to require OPI to make the state transportation reimbursement payment to the county treasurer. The payment may not be sent directly to a participating district's investment account.

HB 39 amends 20-9-517, MCA to expand the criteria for districts to be eligible for state school oil and natural gas impact monies to include unusual enrollment decreases and high rates of student mobility.

HB 39 amends 20-9-518, MCA to change the triggers for release of the county school oil and gas impact funds. Under the first trigger, as amended, the funds can be appropriated to school districts if the amount of oil and natural gas production taxes drops to 50% or less of the average amount received by the district in the previous four years. Under the second trigger, the funds can be appropriated if the average price for a barrel of oil as reported by the Wall Street Journal for west Texas intermediate crude oil during a calendar quarter is less than \$65/barrel.

The distribution of the county school oil and natural gas impact funds is based on the ratio of the number of quality educators in the district to the number in the to the county.

HB 39 amends 20-9-534, MCA to use the current year budget information for the purpose of calculating the school technology allocation.

HB 47 Edie McClafferty
Revise certain county budgeting deadlines
Chapter: 62 Effective Date: 7/1/13

HB 47 revises dates by which a county must fix certain salaries, adopt a budget, fix tax levies, and estimate special district costs and coordinates school district budgeting deadlines.

HB 202 Roger Hagan
Revise laws related to the deposit and investment of public money
Chapter: 52 Effective Date: 2/27/13

HB 202 authorizes counties, cities, and towns to deposit public money not necessary for immediate use in in-state, federally insured financial institutions that then arrange for the deposit of the funds in other financial institutions. The legislation removes the requirement for public monies to be invested solely in certificates of deposit. The designated in-state institution may now deposit the funds of a county, city, or town in any federally insured financial institution. These deposits are covered by federal deposit insurance. Additionally, the bill removes the requirement that when a selected in-state financial institution receives money from a county, city, or town, it must also receive an amount of deposits from customers of other federally insurance institutions that is equal to the amount of the initial investment.

SB 96 Bruce Tutvedt
Lower the business and equipment tax
Chapter : 396 Effective Date: 5/6/13

SB 96 exempts the first \$100,000 in market value of class eight property of a person or business entity from taxation. The bill also establishes the tax rate for class eight property at 1.5% for the first \$6 million of taxable market value in excess of \$100,000 and 3% for all taxable market value in excess of \$6 million.

School districts, the county retirement fund, and the county transportation fund will be reimbursed for the estimated loss in property tax revenues that schools and counties experience in FY 2014 and FY 2015. Reimbursements will be made by November 30, 2014 to compensate for the reduction in property tax collections (from personal property that are not a lien on real property) that occurs in FY 2014. In FY 2015, the reimbursements will be made with school block grants pursuant to 20-9-630, MCA.

SB 96 provides a general fund appropriation of \$7,931,716 in FY 2015 for reimbursements to school districts, the county retirement fund, and the county transportation fund. The bill also reduces K-12 BASE Aid by \$3,053,710 to reflect the guaranteed tax base aid savings that will result from the increased reimbursements.

SB 175 Llew Jones

Generally revise public education funding

Chapter: 400

**Effective Date: Sec. 1-8, 10-28, 32-43 – 5/6/13; Sec. 29 & 31 – 7/1/13; Sec. 9 & 30
- 7/1/16**

Senate Bill 175 provides an increase in K-12 BASE aid of \$16.1 million in FY 2014 and \$17.7 million in FY 2015. The new money is provided to all school districts through inflationary increases in the per-ANB entitlements, a redesign of the basic entitlement, a new Data for Achievement payment, and a new natural resource development K-12 funding payment. The natural resource development K-12 funding payment will reduce the level of local property taxes required to support the school district BASE budget. In addition, a smaller number of districts will receive additional K-12 BASE aid from the addition of a December 1 enrollment count and/or from changes in the requirements for anticipating oil and natural gas production taxes in the school district general fund budget.

SB 175 also provides funding to school districts that have oil and natural gas production within their boundaries or are contiguous to production areas. The legislation appropriates up to \$22.3 million for redistribution to school districts that are impacted by oil and natural gas production, but have not yet reached the limitation on the amount of oil and natural gas production taxes that they may retain. However, the amount of the redistribution will be determined by the amount of revenue generated from oil and natural gas production taxes.

K-12 BASE Aid

- Increases the per-ANB entitlements by 0.89% in FY 2014 and by 2.08% in FY 2015. The per-ANB entitlements are set as follows:

Per-ANB Entitlement FY 2013	FY 2014	FY 2015	FY 2016
Elementary Per-ANB \$ 5,075	\$ 5,120	\$ 5,226	\$ 5,226
High school Per-ANB \$ 6,497	\$ 6,555	\$ 6,691	\$ 6,691

- Increases the basic entitlements to the following amounts:

Basic Entitlement	FY 2013	FY 2014	FY 2015	FY 2016
Elementary Basic	\$ 23,593	\$ 40,000	\$ 40,000	\$50,000
Middle School Basic	\$ 66,816	\$ 80,000	\$ 80,000	\$100,000
High School Basic	\$262,224	\$290,000	\$290,000	\$300,000

- Provides a basic entitlement increment for additional ANB above 250 for elementary budget units, 450 for middle school budget units and 800 for high school budget units. At the elementary level, the district receives a full basic entitlement for the first 250 students. For each increment of 25 ANB above 250, the elementary budget unit receives another \$2,000 in FY 2014. The chart below shows how the increments apply to the elementary, middle school and high school budget units in FY 2014 through FY 2016.

Budget Unit	First Basic				
Entitlement	Additional ANB	FY 2014		FY 2015	FY 2016
Elementary	Up to 250 ANB	25	\$2,000	\$2,000	\$2,500
Middle School	Up to 450 ANB	45	\$4,000	\$4,000	\$5,000
High School	Up to 800 ANB	80	\$12,000	\$12,000	\$15,000

There are 59 elementary budget units, seven middle school budget units, and seven high school budget units that will receive one or more additional basic entitlement increments in FY 2014.

- Provides a Data for Achievement payment for the school district general fund budget in an amount of \$10/ANB in FY 2014, \$15/ANB in FY 2015, and \$20/ANB in FY 2016 and subsequent years.
- Provides a Natural Resource Development K-12 Funding (NRD) payment, which is a new revenue source for the district general fund. The funding is distributed to each school district based on the ratio that each district's direct state aid bears to the statewide direct state aid for all school districts.
- Natural Resource Development K-12 Funding Payment
SB 175 defines the NRD payment as a variable percentage of the basic and per-ANB entitlements above the direct state aid for the general fund budget of a school district.

The NRD payment is a non-levy revenue to school districts and, in GTB-eligible districts, it will offset a portion of the guaranteed tax base aid received by the district.

The NRD payment begins in FY 2015 with a \$3 million appropriation. In subsequent years, the minimum NRD payment is to be calculated by the OPI as the amount needed to prevent a statewide increase in BASE budget levies associated with inflationary increases in the basic and per-ANB entitlements.

The funding sources for the NRD K-12 funding payment include:

- monies appropriated by the legislature to prevent increases in the BASE budget levies;
- excess funds paid to the state when a county cannot distribute funds to school districts within the county because of the 300% of the maximum general fund budget in 20-9-323, MCA, (beginning July 1, 2020);
- any amount in excess of \$7.5 million in the state school oil and natural gas impact account; and
- one-half of any interest and income, in excess of \$56 million, that is generated from common school trust lands and deposited into the guarantee account. The excess interest and income revenue must equal at least \$1.0 million in order to be distributed.

The total NRD payment is limited to the greater of 50% of the FY 2012 oil and natural gas production taxes deposited into the state general fund or 50% of the oil and natural gas production taxes deposited into the state general fund in the two years prior plus any excess interest and income appropriated by the legislature to be distributed through the NRD payment.

- Excess interest and income

Under SB 175, “excess interest and income revenue” is defined as an annual amount in excess of \$56 million. The excess revenue must be equal to or greater than \$1 million in order to be distributed as part of the NRD payment two years after the excess occurs. If the excess interest and income is \$1 million or less, the excess is added to the calculation of the excess revenue in the following year. (Note: The statute as drafted is conflicting about how the excess will be handled if it equals \$1 million.)

One-half of any excess interest and income is reserved for appropriation in the next regular session of the legislature as part of the NRD payment.

The other half must be distributed to schools on a per-quality educator basis. A school district deposits the funds received under this provision in its miscellaneous programs fund. The monies must be used to address any repairs categorized as safety, damage/wear out, or codes and standards in the facilities condition inventory completed for buildings of the school district in 2008. If these repairs have been completed, the district may use the funds for any other purpose authorized by the school flexibility fund, established in 20-9-543, MCA.

- School District Budget Limits

The Data-for-Achievement payment is a new component of the school district general fund budget. The BASE budget and maximum general fund budget limits are expanded to include the Data-for-Achievement payment. The payment is funded by the state, and there is no local property tax increase associated with this payment.

SB 175 amends 20-9-308, MCA to allow a school district to add any increase in direct state aid for the basic and per-ANB entitlements and any increases in state funding for the Data-For-Achievement payment, the quality educator payment, the at-risk student payment, the Indian education for all payment, and the American Indian achievement gap payment to the previous year’s general fund budget in order to calculate the district’s “highest budget”. Any increases in local property taxes associated with the increased budget limits must be approved by the voters.

SB 175 clarifies that a school district may increase its over-BASE budget levy to access revenue previously authorized by the electors of the district or imposed by the district in any one of the previous five years. The district has access to the highest amount of property tax levies authorized by the voters in any of the previous five years to support the general fund budget.

SB 175 allows trustees to reduce nonvoted property taxes in any budgeted fund and transfer the levy authority to increase the general fund over-BASE budget levy without a vote. The intent of the section is to increase flexibility and efficiency of school boards without increasing school district property taxes. The ongoing authority for any nonvoted increase in the over-BASE levy must be decreased in future years to the extent that the district increases other nonvoted property tax levies.

- Budgeting of oil and natural gas production taxes

Under SB 175, school districts must anticipate general fund revenue of at least 25% of the previous year’s oil and natural gas production taxes or an amount to meet the general fund levy requirement, whichever

is less. One-half of the anticipated production taxes must be used to reduce the general fund BASE budget levy. The remainder may be used to reduce either the BASE budget levy or the over-BASE budget levy at the discretion of the district.

A district that meets one of the following conditions is not required to anticipate oil and natural gas production taxes in its general fund budget. Nor is the district required to allocate one-half of any oil and natural gas production taxes that it does anticipate to reduce the BASE budget levy.

- a district with a maximum general fund budget of less than \$1 million;
- a district whose oil and gas revenue combined with its adopted general fund budget total 105% or less of its maximum general fund budget;
- a district that has a maximum general fund budget of \$1 million or more and has had an unusual enrollment increase approved by the superintendent of public instruction for the ensuing year as provided in 20-9-314, MCA;
- a district that has issued outstanding oil and natural gas revenue bonds.

- Distribution of oil and natural gas production taxes to school districts

SB 175 continues the limitation on the maximum amount of oil and natural gas production taxes that a school district may retain at 130% of the district's maximum general fund budget. However, SB 175 provides for two exceptions to the 130% limit. The first exception is that, for school fiscal years 2014 through 2016, a school district with a maximum general fund budget with less than \$1.5 million may retain oil and natural gas production taxes in an amount up to 150% of the school district's maximum general fund budget. (Note: The language in 20-9-310, MCA indicates that this exception applies to fiscal years 2014 through 2017, but this section of statute terminates on June 30, 2016.)

The second exception is that the limit on oil and natural gas production taxes that a school district may retain must be increased for any school district with an unusual enrollment increase approved by the superintendent of public instruction as provided in 20-9-314, MCA. The increase is calculated by multiplying \$45,000 times each additional ANB approved by the superintendent of public instruction.

Once a school district has reached its limitation on the receipt of oil and natural gas production taxes, SB 175 establishes a redistribution mechanism of the surplus revenues to other school districts. This redistribution mechanism was referred to as "concentric circles," while the bill moved through the legislative process.

The maximum amount of oil and natural gas production tax revenue that a district may receive through the redistribution mechanism, when combined with the original distribution received by the district, is 130% of its maximum general fund budget. Surplus oil and natural gas production taxes are distributed to other districts that have not yet reached the 130% limitation in the following priority order:

- to another school district within the unified school system or to any school district having a joint board status with the district from which the oil and natural gas production revenue originates;
- if funds remain to be distributed after distribution to school districts under (1) above, to all school districts immediately contiguous to the district from which the oil and natural gas production revenue originates;

- if funds remain to be distributed after distribution to school districts under (2) above, to all school districts that are located in whole or in part in the same county as the school district from which the oil and natural gas production revenue originates; and
- if funds remain to be distributed after distribution to school districts under (3) above, to all school districts that are located in whole or in part in a county contiguous to a county where a horizontally completed well has been drilled within the last 3 years.

After the distributions are made as described above, any remaining revenue is distributed by the OPI to the state guarantee account (70%), the state school oil and natural gas impact account (5%), and to the county school oil and natural gas impact fund (25%).

- Additional official enrollment count date and calculation of ANB

SB 175 adds a third official enrollment count on the first Monday in December. This count is in addition to the official enrollment count dates on the first Mondays in October and February. December 2013 will be the first time the OPI will gather data for the new count date. That data will be used to determine the ANB for FY 2015.

SB 175 amends 20-9-311, MCA to allow a school district to include in its calculation of ANB a pupil who is enrolled in a program providing fewer than the required aggregate hours of pupil instruction if the pupil has demonstrated proficiency in the course content as determined by the school board using district assessments. Under these circumstances, the ANB for the pupil will be converted to an hourly equivalent based on the hours of instruction ordinarily provided for the course content.

SB 175 amends 20-9-314, MCA to allow school districts to receive an increase in ANB if the enrollment growth exceeds 4% or 40 students, whichever is less. The district will receive additional district state aid for the number of ANB in excess of the lesser of 4% of the original ANB or 40.

- Ending Fund Balance Limits

SB 175 delays until July 1, 2020 the implementation of 20-9-323, MCA, which limits the combined ending fund balance for all budgeted funds of a school district to the 300% of the maximum general fund budget. The limit is not applicable to the building reserve fund, debt service fund, or bus depreciation fund. Prior to the passage of SB 175, this limitation was scheduled to become effective on July 1, 2016.

- Inflationary adjustments for general fund payments

SB 175 amends 20-9-326, MCA to extend the annual inflation-related adjustment to the data for achievement payment, the quality educator payment, the at-risk student payment, the Indian education for all payment, and the American Indian achievement gap payment. These inflationary increases do not apply in FY 2014 and FY 2015, but will apply to the state budgeting process for the 2017 biennium and beyond.

- Oil and natural gas revenue bonds

SB 175 authorizes school districts to issue voter-approved, oil and natural gas revenue bonds. The maximum amount of oil and natural gas revenue bonds that a school district may issue is limited to three

times the average of the district's annual oil and natural gas production taxes received pursuant to 15-36-331, 15-36-332, and 20-9-310, MCA for the 2 fiscal years immediately preceding the issuance of the bonds. At the time of the issuance of the bonds, the average annual payment of principal of and interest on the oil and natural gas revenue bonds each year may not exceed 35% of the total oil and natural gas production taxes received by the school district under the limitations in 20-9-310, MCA for the immediately preceding fiscal year. If the district's oil and natural gas revenue bond is also secured by a deficiency tax levy as provided in 20-9-437, MCA, the outstanding balance of this oil and natural gas revenue bond is included in the calculation of the district's debt limit.

Oil and natural gas revenue bonds are payable from the oil and natural gas production taxes received by the school district. With voter-approval, a school district, may also specify that its oil and natural gas revenue bonds are further secured by a deficiency tax levy if for any reason the oil and natural gas production taxes received by the school district and the amounts in the debt service reserve account are inadequate to pay the principal of or interest on the bonds as they become due.

- Oil and natural gas impacts

SB 175 amends 20-9-517, MCA to provide distributions from the state school oil and natural gas impact account to school districts that are impacted by oil and natural gas development but are receiving oil and natural gas production taxes under 15-36-331, MCA in an amount less than 20% of the district's maximum general fund budget. Effective July 1, 2016 the distribution criteria changes to allow monies from the impact account to be distributed to districts that are not receiving oil and natural gas production taxes "in an amount sufficient to address oil and gas development impacts."

Funds distributed to school districts from the county school oil and natural gas impact fund under 20-9-518, MCA will be distributed to the districts within the county based on the ratio of quality educators in district to the total number of quality educators in the county. School districts receiving these funds may deposit the funds in any budgeted fund of the district at the discretion of the board of trustees.

- K-12 data task force

SB 175 creates a 27-member K-12 data task force to advise the OPI. The task force reviews, monitors, and provides input and guidance in enhancing the statewide K-12 data system pursuant to 20-7-104, MCA. Task force members include legislators, school board trustees, school administrators, teachers, school district technology staff, parents, and district clerks.

- Implementation of Montana school accreditation standards

The increased funding for the school district general fund budgets, beyond inflation, provides schools with resources to implement the changes to the state accreditation standards adopted by the BPE during fiscal years 2012 and 2013 and to continue to enhance efforts at improving academic achievement for students.

- Transfer of state general fund to state special revenue account

SB 175 requires the transfer of \$22,950,178 for the state general fund to the Montana support for schools special revenue account. After July 1, 2013 and prior to July 30, 2013, the monies in the Montana support

for schools special revenue account will be transferred to the guarantee account. During FY 2014, \$11,475,089 will be used for state equalization aid. The remaining \$11,475,089 will be used for state equalization aid in FY 2015.

- Appropriations

For the biennium beginning July 1, 2013, SB 175 appropriates \$25.8 million from the state general fund for K-12 BASE aid; \$22.3 million from the state school oil and natural gas distribution account for redistribution of surplus oil and natural gas production taxes in accordance with 20-9-310, MCA; and \$13,522 from the state general fund to the OPI for costs associated with the K-12 data task force.

SB 191 Taylor Brown

Revise school tuition and levy laws related to special needs students

Chapter: 305 Effective Date: 7/1/13

SB 191 provides for a tuition levy to pay for the full cost of providing a free appropriate public education (FAPE) to a student with disabilities who resides in the district. The amount of the levy imposed for the costs associated with educating each student with a disability is limited to the actual cost of service under the student's individualized education program minus:

- The student's state special education payment
- The student's federal special education payment
- The student's per-ANB amount
- The prorated portion of the district's basic entitlement for each qualifying student; and
- The prorated portion of the district's general fund payments in statute for each qualifying student.

SB 199 Fred Thomas

Revise laws related to technology acquisition and depreciation funding

Chapter: 262 Effective Date: 7/1/13

SB 199 amends section 20-9-533, MCA to expand the allowable costs for which a school district may levy in its technology acquisition and depreciation fund to include cloud computing services for technology infrastructure, platform, software, network, storage, security, data, database, test environment, curriculum, or desktop virtualization purposes, including any subscription or any license-based or pay-per-use service that is accessed over the internet or other remote network to meet the district's information technology and other needs.

SB 199 authorizes a district to seek voter approval to relieve the district from the obligation of tracking depreciation of equipment under a levy approved prior to July 1, 2013.

A district may continue indefinitely any "perpetual" levy that was authorized prior to July 1, 2013, but if the district imposes a new technology levy after July 1, 2013, the term of both the new levy and the

previously-perpetual levies is limited in duration to 10 years. The amount of the new levy is not limited by the original cost of technological equipment that is owned by the district.

SB 239 Edward Buttrey

Generally revise tax increment financing districts

Chapter: 214 Effective Date: 7/1/13

SB 239 authorizes a local government to create a targeted economic development district to develop infrastructure to encourage the location and retention of value-adding projects in the state. The local government may use tax increment financing for the targeted economic development district. If the local government uses tax increment financing, the use of and purpose for tax increment financing must be specified in the comprehensive development plan required for the creation of the district.

STATE LANDS

HB 444 Tom Jacobson

Provide tax credit for access to state lands

Chapter: 346 Effective Date: 1/1/14

HB 444 allows for a \$500 (\$2000 max) tax credit for qualified access to state land in the “unlocking state lands” program.

SB 154 Chas Vincent

Require new sustainable yield determination

Chapter: 288 Effective Date: 4/24/13

SB 154 provides for study and redetermination of annual sustainable yield by the Department of Natural Resources and Conservation (DNRC) at least once every 10 years.

SB 369 Tom Facey

Revise state cabin site leasing laws

Chapter: 422 Effective Date: 5/7/2013

SB 369 provides a process for the sale of state land cabin site leases; requires the land board to attain full market value for such sales; sets the minimum bid bond; and provides appraisal value criteria.

INDEX OF K-12 EDUCATION-RELATED BILLS

Bill	Sponsor	Short Title	Pass/ Fail	Category
HB 2	Duane Ankney	General Appropriations Act	P	Appropriations
HB 3	Duane Ankney	Supplemental appropriations	P	Appropriations
HB 4	Duane Ankney	Appropriations by budget amendment	P	Appropriations
HB 13	Kathy Swanson	State employee pay plan	P	Emp. Relations
HB 15	Edie McClafferty	School facility grant program	P	Appropriations
HB 39	Bill McChesney	Revise school finance laws to correct implementation problems	P	School Finance
HB 40	Kimberly Dudik	Clarify retention of student records and school district personnel files	P	Governance
HB 47	Edie McClafferty	Revise certain county budgeting deadlines	P	School Finance
HB 52	Ed Lieser	Rename the agriculture in Montana schools fund	P	Accred/Curric
HB 54	Pat Ingraham	Revise teachers' retirement system administrative and tax qualification laws	P	Emp. Relations
HB 78	Keith Regier	Clarify break in service requirement for postretirement employment under TRS	P	Emp. Relations
HB 86	Jesse O'Hara	Revise funding allocations for career and vocational/technical education	P	Appropriations
HB 95	Franke Wilmer	Require contributions on working retiree compensation	P	Emp. Relations
HB 97	Franke Wilmer	Cap highest/final average compensation in MPERA retirement systems	P	Emp. Relations
HB 105	Ton Steenberg	Generally revise MPERA retirement system laws concerning plan administration	P	Emp. Relations
HB 110	Carolyn Pease-Lopez	Requiring consideration of guiding principles that have tribal implications	P	Governance
HB 120	Pat Ingraham	Generally revise election laws	P	Campaign
HB 122	Bryce Bennett	Ensure federal IRS qualification of MPERA retirement systems	P	Emp. Relations
HB 123	Keith Regier	Revise developmental disability laws	P	At-Risk Youth
HB 124	Jesse O'Hara	Clarify exemption for school districts and special districts in elections	P	Elections
HB 131	Jenifer Gursky	Allow mandatory reporters of child abuse and neglect to receive information	P	At-Risk Youth
HB 155	David Moore	Revise school bus safety laws	P	Safety
HB 162	Kelly Flynn	Revise state employee health insurance program laws	F	Emp. Relations
HB 182	Nancy Balance	Revise legislative goals for public schools	P	Governance
HB 202	Roger Hagan	Revise laws related to the deposit and investment of public money	p	School Finance
HB 203	Christy Clark	Revise direct state aid to public libraries	P	Accred/Curric
HB 210	Edie McClafferty	Revise Montana digital academy funding and provide an appropriation	P	Appropriations

HB 217	David Howard	Revise campaign finance regulation of churches	F	Campaign
HB 218	Duane Ankney	Require Board of Oil and Gas to administer grant program \for oil and gas impacts	F	School Finance
HB 219	Jean Price	Require policies to discourage bullying in schools	F	Safety
HB 226	Donald Jones	Exempt computer professionals from overtime pay	P	Emp. Relations
HB 227	Amanda Curtis	provide for public disclosure of energy performance	F	School Finance
HB 228	Lee Randall	Exempt certain schools from oil and gas tax allocations and limit provisions	F	School Finance
HB 230	Scott Reichner	Generally revise property tax laws	F	School Finance
HB 236	Ellie Boldman Hill	Eliminate license exemption for certain private adolescent treatment programs	F	At-Risk Youth
HB 239	Cary Smith	Define scope/boundaries of human sexuality/reproduction education K-12	F	Accred/Curric
HB 240	Cary Smith	Clarify constitutional provisions and law related to Board of regents/U-system	F	Higher Education
HB 251	Pat Ingraham	Revise date absentee ballots are available	F	Elections
HB 255	Rob Cook	Require PACs to do and disclose to donors summary report on expenditures	F	Campaign
HB 257	Nancy Wilson	Revise laws related to bicycles	F	Safety
HB 258	Bridget Smith	Revise local government laws related to public notice	P	Governance
HB 259	Chuck Hunter	Revising professional, occupational licensing terms regarding military training	P	Emp. Relations
HB 283	Kirk Wagoner	Require fiscal notes to include business impact	F	Appropriations
HB 286	Clarena Brockie	Allowing board of regents to waive tuition and fees for certain students	P	Higher Education
HB 288	Nicholas Schwaderer	Generally revising school laws creating a special education savings account	F	School Finance
HB 296	Pat Ingraham	Revise when ballots may be prepared for counting	F	Elections
HB 297	David Howard	Provide that employment of an unauthorized alien is unlawful	F	Emp. Relations
HB 301	David Halvorson	Revise school bonding limits	F	School Finance
HB 307	Edie McClafferty	Revise inflation-related adjustments to K-12 basic and per ANB entitlement	F	School Finance
HB 309	Franke Wilmer	Revise supplemental nutrition assistance program funding laws	F	At-Risk Youth
HB 313	Casey Schreiner	Revise school truancy laws	P	At-Risk Youth
HB 315	Austin Knudsen	Establish public charter schools	F	Governance
HB 319	Carolyn Pease- Lopez	Improve transition planning and services for youth with mental health needs	F	At-Risk Youth
HB 326	Kelly Flynn	Require state coordination with local governments when requested	F	Governance
HB 327	Franke Wilmer	Allowing youth election judges	F	Elections
HB 329	Randy Brodehl	Prohibit state employees from being lobbyists	F	Emp. Relations
HB 332	Mary McNally	Revise tax laws to increase the business equipment tax threshold	F	School Finance

HB 338	Keith Regier	Providing funding for pension debts, all new hires to DC plan	F	Emp. Relations
HB 353	Edie McClafferty	Provide for head-start funding	F	Appropriations
HB 357	Kris Hansen	Generally revise school laws creating an education savings account	F	School Finance
HB 361	Chuck Hunter	Providing a property tax rebate	F	Appropriations
HB 366	Ryan Lynch	Provide for education funding to promote international students	F	Appropriations
HB 372	Roy Hollandsworth	Deposit lottery revenues in quality school facility and technology account	F	School Finance
HB 373	Scott Reichner	Revise property tax laws	F	School Finance
HB 377	Tom Woods	Increase contributions and funding for TRS, revise GABA	P	Emp. Relations
HB 378	Edie McClafferty	Provide for inflation, increase basic entitlement and per ANB payment	F	School Finance
HB 382	Liz Bangerter	Provide coal tax funding for actuarially unsound retirement systems	F	Emp. Relations
HB 384	Jerry O'Neil	Clarifying laws for suspension and expulsion of students related to firearms	F	Safety
HB 387	Kris Hansen	provide inflation increase for basic and per-ANB entitlements for K-12 schools	F	School Finance
HB 390	Jonathan McNiven	provide special education scholarships	F	School Finance
HB 400	Daniel Zolnikov	Revise laws related to personal information privacy	F	Safety
HB 408	Mike Miller	Revise tax rate laws on mandated pollution control equipment	F	School Finance
HB 423	Cary Smith	Legislative referendum defining scope and boundaries for K-12 sex education	F	Accred/Curric
HB 428	Doug Kary	Revise election laws to allow for mail ballots for all elections	F	Elections
HB 436	Scott Reichner	Providing top two primary in certain elections	F	Elections
HB 443	Rob Cook	Revise termination of tax increment financing	F	School Finance
HB 444	Tom Jacobson	Provide tax credit for access to state lands	P	State Lands
HB 445	Scott Reichner	Allowing abbreviated form of certified ballot	F	Elections
HB 447	Rae Peppers	Provide higher education scholarships for Montana Purple Heart recipients	P	Higher Education
HB 453	Douglas Coffin	Constitutional amendment regarding affordable postsecondary education	F	Higher Education
HB 454	Bill McChesney	Provide funding for PERS defined benefit plan, revise GABA	P	Emp. Relations
HB 457	Jean Price	Providing for school district recount boards for school elections	P	Elections
HB 466	Joanne Blyton	Revising process to rotate candidate names on ballots	F	Elections
HB 471	Greg Hertz	Provide for farm to school programs	F	Appropriations
HB 472	Jerry Bennett	Reduce business equipment taxes by increasing the exemption	F	School Finance
HB 479	Christy Clark	Revise requirements related to release of patient		

		immunization information	F	Safety
HB 481	Edie McClafferty	Prohibit discrimination of gender identity/expression and sexual orientation	F	At-Risk Youth
HB 490	Amanda Curtis	Provide for the Hire Montana First Act	F	Emp. Relations
HB 508	Champ Edmunds	Revise commercial drivers' license laws related to military veterans	P	Safety
HB 510	Pat Ingraham	Eliminate requirement for annual absentee forms	P	Elections
HB 518	Jennifer Gursky	Give safe harbors for employers, schools, landlords for criminal rehabilitation	F	Emp. Relations
HB 527	Ellie Boldman Hill	Generally revise cyber-bullying laws	F	Safety
HB 535	Gerald Bennett	Generally revise state land cabin site laws	F	State Lands
HB 576	Greg Hertz	Higher education scholarship program for residents	F	Higher Education
HB 577	Ryan Osmundson	Prioritize funding in the school technology and facilities account	F	School Finance
HB 583	Rob Cook	Establish Montana Suicide Review Team	P	At-Risk Youth
HB 634	Kirk Wagoner	Revise K-12 district expansion laws	F	Governance
HB 635	Ray Shaw	Revise education laws related to transfers of territory between districts	F	School Finance
HB 637	Nicholas Schwaderer	Deposit lottery revenue to Teachers' Retirement System	F	Emp. Relations
HJ 2	Galen Hollenbaugh	Interim study investigating state/local government electronic records management	P	Governance
HJ 14	Tom Jacobson	Recommend financial literacy course in high schools	P	Accred/Curric
HJ 17	Steve Gibson	Study resolution on state pay plans	P	Emp. Relations
HJ 32	Tom Woods	Interim study resolution on compensation equity in K-12 and higher education	F	Emp. Relations
SB 1	Tom Facey	Increase the education loan assistance payment	F	Emp. Relations
SB 2	Tom Facey	Revise certain OPI reporting requirements	P	Governance
SB 13	Dave Wanzenried	Raise legal dropout age to 18 or upon graduation	F	At-Risk Youth
SB 14	David Wanzenried	Provide ANB funding for 19 year olds	F	School Finance
SB 25	Greg Jergeson	Increase reimbursement rates for pupil transportation	F	School Finance
SB 32	Tom Facey	Allow excess cash in student extracurricular funds to be invested	P	Governance
SB 42	Robyn Driscoll	Increase K-12 BASE aid	F	School Finance
SB 58	Christine Kaufmann	Transfer money to the endowment for children	F	Appropriations
SB 65	Art Wittich	Revise laws relating to confidentiality of child abuse and neglect reports	P	At-Risk Youth
SB 78	Dave Lewis	Require elementary students to be proficient in reading before advancement	F	Accred/Curric
SB 81	Dave Lewis	Provide tax credits for contributions to scholarship organizations	F	Governance
SB 82	Dave Lewis	Require PERS new hires to be in DC plan	F	Emp. Relations
SB 96	Bruce Tutvedt	Lower the business and equipment tax	P	School Finance
SB 100	Dee Brown	25% new resource development revenue to fund		

		education	F	Appropriations
SB 102	Tom Facey	Increase maximum allowable pupil instruction days	F	Accred/Curric
SB 112	Anders Blewett	Establish youth concussion protection laws	P	Safety
SB 138	Art Wittich	Extend class 14 tax classification to all new generating and fuel facilities	F	School Finance
SB 139	Edward Walker	Require small business impact analyses prior to adoption of administrative rules	P	Governance
SB 140	Art Wittich	Combine school and primary election dates	F	Elections
SB 154	Chas Vincent	Require new sustainable yield determination	P	State Lands
SB 161	Mitch Tropila	Change the requirements for establishing a special speed zone	P	Safety
SB 165	Mary Caferro	Authorize emergency use of epinephrine in a school setting	P	Safety
SB 175	Llew Jones	Generally revise public education funding	P	School Finance
SB 185	Jon Sesso	Revise veteran public employment hiring laws	P	Emp. Relations
SB 186	Bradley Hamlett	Provide for a primary seat belt law	F	Safety
SB 191	Taylor Brown	Revise school tuition and levy laws related to special needs students	P	School Finance
SB 195	Anders Blewett	Revise laws protecting job applicant/employee privacy related to social media	F	Emp. Relations
SB 199	Fred Thomas	Revise laws related to technology acquisition and depreciation funding	P	School Finance
SB 203	Edward Buttrey	Enter into interstate compact on educational opportunity for military children	P	At-Risk Youth
SB 206	David Wanzenried	Allowing electronic voter registration	F	Elections
SB 219	Janna Taylor	Revise laws related to deduction of union dues by public employers	F	Emp. Relations
SB 230	David Wanzenried	Revise laws governing board of speech-language pathologists and audiologists	P	Emp. Relations
SB 239	Edward Buttrey	Generally revise tax increment financing districts	P	School Finance
SB 253	Janna Taylor	Require public employee unions to file annual report and recertify every 3 years	F	Emp. Relations
SB 257	Llew Jones	Revise and clarify responsibilities of the board of public education	F	Governance
SB 269	Edward Walker	Clarifying that present law adjustments are not included in base budget	F	Appropriations
SB 283	Terry Murphy	Revise criteria for expansion from elementary district to K-12 district	F	School Finance
SB 291	Elsie Arntzen	Revise school laws related to multiple district coops	P	Governance
SB 297	John Brenden	Require land board approval of land purchases	F	State Lands
SB 298	Jonathan Windy Boy	Consider adverse childhood experiences in state prevention efforts	F	At-Risk Youth
SB 302	Elsie Arntzen	Revise board of education laws related to defining substantial fiscal impact	F	Governance
SB 312	Jon Sonju	Revise state information technology policy	P	Governance
SB 315	Christine	Provide for monitoring of childhood body mass index		

	Kaufmann	trends	F	At-Risk Youth
SB 333	Ron Arthun	Establish cash balance benefit tier in TRS and PERS for new hires	F	Emp. Relations
SB 338	Bradley Hamlett	Revise management and control of state-owned property	F	State Lands
SB 340	John Brenden	Require a US Flag in every school classroom	P	Accred/Curric
SB 342	Jonathan Windy Boy	Establish Montana Indian language preservation pilot program	P	Accred/Curric
SB 348	Fred Thomas	Providing for an act for Montana school safety	P	Safety
SB 356	Elsie Arntzen	Clarify in-district school assignment appeal process	P	Governance
SB 369	Tom Facey	Revise State cabin site leasing laws	P	State Lands
SB 374	Dave Lewis	Establish public charter schools	F	Governance
SB 382	Christine Kaufmann	Provide for a state equalized mill for K-12 education	F	School Finance
SB 401	Jon Sesso	Revise disposition of metaliferous mines license tax	F	School Finance
SB 405	Alan Olson	Referendum to revise close of late voter registration	P	Elections
SJ 10	Jonathan Windy Boy	Interim study resolution on efficiency of agencies related to education	F	Governance
SJ 13	Taylor Brown	Request MUS to study college completion	P	Higher Education
SJ 14	Alan Olson	Resolution requesting an interim study of local government election procedures	P	Elections
SJ 24	Edward Buttrey	Requesting an interim study of military training applicability to civilian jobs	P	Emp. Relations
SJ 27	Bruce Tutvedt	Revise revenue estimates in Senate Joint Resolution 2	F	Appropriations
SJ 29	Mike Phillips	Study resolution to assess consequence of adopting green school standards	F	School Finance
SJ 38	Jonathan Windy Boy	Study impact of tribal colleges	F	Higher Education
SR 33	Jim Peterson	Confirmation of appointee to the Board of Regents	F	Governance
SR 46	Jim Peterson	Confirmation of appointee to Board of Public Education	P	Governance
SR 48	Jim Peterson	Confirmation of appointees to the Board of Regents	P	Governance