

SUPERINTENDENT OF PUBLIC INSTRUCTION

CHAPTER 15

DEFINITIONS

Subchapter 1

School Funding Definitions

Rule 10.15.101 Definitions

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## Subchapter 1

## School Funding Definitions

10.15.101 DEFINITIONS The following definitions apply to ARM Title 10, chapters 16, 20, 21, 22, and 23:

(1) "Absent" means the student is not present during organized public school instruction for which he is enrolled. An enrolled student who is receiving services at an offsite instructional setting on the official enrollment count date is not absent for purposes of the official counts submitted to the Superintendent of Public Instruction unless the student does not attend his next scheduled organized public school instruction session, if any.

(2) "Attachment" means the combining of functions of a public elementary and a public high school district with the same boundaries or moving the territory of an elementary abandoned district to an adjacent district in the county.

(3) "Average daily attendance" or "ADA" is the average number of students present on the dates used to report fall and spring disaggregated enrollment and attendance data. The total number of students present in grades 1-12 and kindergarten students enrolled and present in a full-time kindergarten program, as reported on the fall and spring disaggregated enrollment and attendance data reports, will be added together and divided by two to determine the average daily attendance for that school year. The number of students enrolled and present in prekindergarten and kindergarten students enrolled and present in a half-time kindergarten program, as reported on those data collections, will be added together and divided by four to determine average daily attendance for that school year.

(4) "Average number belonging" or "ANB" means a student count for each school district that is used for school funding purposes. The count is performed according to ARM 10.20.102, et seq.

(5) "BASE" means the acronym for base amount for school equity.

(6) "BASE aid" means direct state aid plus guaranteed tax base aid where applicable.

(7) "BASE budget" means the minimum general fund budget a district is allowed to adopt. It is the sum of: 80% of the district's basic and per-ANB entitlements; 100% of the quality educator payment; 100% of the at-risk student payment; 100% of the Indian education for all payment; 100% of the American Indian achievement gap payment; 100% of the data-for-achievement payment, 140% of the district's special education allowable cost payment; and 40% of the district's related services block grant payment to cooperatives.

(8) "BASE budget levy" means the mills levied to fund a district's BASE budget amount.

(9) "Basic entitlement" means the minimum dollar amount as defined in 20-9-306, MCA, that each high school, elementary, accredited middle school or 7-8 grade program, or K-12 district will receive if in operation.

(10) "Budgeted ANB" means the ANB used on the final general fund budget for a district. Depending on calculations performed under 20-9-311, MCA, the budgeted ANB will either be the current ANB or the three-year average ANB.

(11) "Budget unit" means the unit for which the ANB of a district is aggregated for all enrolled students according to 20-9-311, MCA.

(12) "Certified countywide elementary ANB" or "certified countywide high school ANB" means the number certified by OPI using the previous fiscal year countywide enrollment count. Joint districts prorate ANB to the located and nonlocated counties based on a percentage of spring enrollment from each county. Certified countywide ANB is used to calculate mill values per ANB.

(13) "Certified statewide elementary ANB" or "certified statewide high school ANB" means the number certified by using the previous fiscal year statewide enrollment count.

(14) "County mill value" means a county's taxable valuation divided by 1,000. It is a measure of how much property tax revenue can be raised in the ensuing fiscal year by levying one countywide mill.

(15) "County mill value per countywide elementary ANB" or "county mill value per countywide high school ANB" means the county mill value divided by the certified countywide elementary or high school ANB. It is a measure of how much property tax revenue per student is raised by levying one countywide mill.

(16) "Current ANB" means the ANB calculated using the enrollment of the school year preceding the year for which the ANB applies for funding. That is, the current ANB for FY 20XX+1 is the ANB calculated using the official enrollment counts taken during FY 20XX.

(17) "Current fiscal year" or "current FY" means the period between July 1 and June 30 during which calculations for the ensuing fiscal year are made. For purposes of these rules the current fiscal year is referred to as FY 20XX, the ensuing fiscal year is referred to as FY 20XX+1 and the prior fiscal year or prior calendar year is referred to as FY 20XX-1 or CY 20XX-1.

(18) "Date of official enrollment count" for purposes of determining the enrollment used for calculating ANB means the first Monday in October or the first Monday in February, or the next school day if those dates do not fall on a school day.

(19) "Debt service fund" means the budgeted fund authorized by 20-9-437, MCA, to pay interest and principal on outstanding bonds and special improvement district assessments.

(20) "Direct state aid" means state equalization aid paid to each district. The amount paid is equal to the percentage of the district's basic entitlements and per-ANB entitlements.

(21) "District guaranteed tax base (GTB) ratio" means the measure for determining if a district is eligible for general fund GTBA from the state to help fund the district's BASE budget. The ratio compares the district's tax base to the portion of its general fund BASE budget that must be funded with local revenue. As defined in 20-9-366, MCA, for the FY 20XX+1 general fund budget the GTB ratio is the district's CY 20XX-1 taxable valuation divided by the GTBA budget area.

(22) "District mill value" means the district's taxable valuation divided by 1,000. It is a measure of how much property tax revenue can be raised in the ensuing fiscal year by levying one district-wide mill.

(23) "District mill value per district ANB" for FY 20XX+1 means the district's CY 20XX-1 mill value divided by the district's 20XX budgeted ANB.

(24) "DOR" means the Department of Revenue.

(25) "Eligible voters" are the voters who are eligible to vote in elections pursuant to the provisions of 20-20-301, MCA.

(26) "Enrolled student" means:

(a) a high school student assigned to receive organized instruction in an education program described in ARM 10.55.904 that is offered by a public school and can be applied towards the graduation requirements of ARM 10.55.905;

(b) a high school student who is a resident of the district and is receiving educational or vocational services in a Montana job corps program or the Montana Youth Challenge program under an interlocal agreement with the district as provided in 20-9-707, MCA;

(c) an elementary student assigned to receive organized instruction in an education program described in ARM 10.55.901 and 10.55.902; or

(d) an elementary or high school student in a course of instruction agreed to in an individualized education program (IEP).

(27) "Ensuing fiscal year" or "ensuing FY" means the fiscal year for which a calculation is being made. Calculations for the ensuing fiscal year are made during the current fiscal year. For purposes of these rules the ensuing fiscal year is referred to as FY 20XX+1.

(28) "Equalized" refers to a district that has adopted a general fund budget at least equal to the BASE budget as defined in 20-9-306, MCA, but not greater than the maximum general fund budget as defined in 20-9-306, MCA.

(29) "Facility guaranteed mill value per ANB" means the CY 20XX-1 statewide mill value multiplied by 1.40, then divided by the statewide FY 20XX high school or elementary budgeted ANB.

(30) "Full-time kindergarten" or "FTK" means a kindergarten program offered in accordance with 20-7-117, MCA for the minimum aggregate hours defined in 20-1-301, MCA.

(31) "General fund" means the budgeted fund used to account for the financing of a district's operation and maintenance costs not accounted for in another fund. The general fund is the primary budgeting fund of a district.

(32) "Guaranteed tax base aid" or "GTBA" means the state subsidy paid on mills levied by taxing authorities with tax bases less than the statewide averages. GTBA is paid to school districts with a GTB ratio less than the statewide GTB ratio on mills levied to support the general fund. GTBA is also paid to counties with a county mill value less than the statewide mill value on mills levied to support the county retirement fund. GTBA calculations are also used to determine the school facility reimbursement.

(33) "GTBA budget area" means the portion of a district's general fund BASE budget minus direct state aid, minus state special education allowable cost payments, minus the quality educator payment, minus the Indian education for all payment, minus the at-risk student payment, minus the American Indian achievement gap payment, and minus the data-for-achievement payment. For districts with lower than average tax bases, GTBA is paid to subsidize mills levied to fund the GTBA budget area.

(34) "Half-time kindergarten" means a kindergarten program established in accordance with 20-7-117, MCA for the minimum aggregate hours defined in 20-1-301, MCA.

(35) "Homebound students" means those students who are receiving instructional services who were in the education program and due to medical reasons, certified by a medical doctor, are unable to be present for pupil-instruction.

(36) "Inactive elementary district" means the elementary district that has combined with a high school district having the same boundaries for purposes of program, budgeting, and reporting, but retains its legal structure for taxing and specific revenue purposes.

(37) "K-12 school district" means a high school district which has an elementary district attached through the provisions of 20-6-101, MCA, and provides educational services for both elementary and high school programs.

(38) "Maximum general fund budget" or "maximum GFB" means the maximum general fund budget a district is allowed to adopt. It is the sum of: 100% of the district's basic and per-ANB entitlements; 100% of the quality educator payment; 100% of the at-risk student payment; 100% of the Indian education for all payment; 100% of the American Indian achievement gap payment; 100% of the data-for-achievement payment; up to 200% of the district's special education allowable cost payment; and up to 100% of the district's related services block grant payment to cooperatives.

(39) "Nonlevy revenue" means the tax and fee revenue available to a district from sources other than property taxes based on levied mills. Nonlevy revenue includes oil and natural gas production taxes, coal gross proceeds taxes, personal property tax reimbursements, tuition, investment earnings and any other revenue received during the school fiscal year that may be used to finance the general fund, excluding any guaranteed tax base aid.

(40) "OPI" means the Office of Public Instruction.

(41) "Over-BASE budget" refers to the adopted general fund budget amount that is in excess of the "BASE budget".

(42) "Per-ANB entitlement" means the dollar amount defined in 20-9-306, MCA, as the general fund budget authority a district acquires per ANB.

(43) "Present" means the student is in attendance for the assigned organized public school program of instruction in which the student is enrolled or is receiving educational services at an off site instructional setting approved by the district.

(44) "Pupil-instruction (PI) days" are those days when school districts provide organized instruction for pupils enrolled in public schools while under the supervision of a teacher.

(45) "Pupil-instruction-related (PIR) days" are those days of teacher activities, approved by the Superintendent of Public Instruction for the school year preceding the year to be funded, which are devoted to improving the quality of instruction. For calculation of ANB the PIR days may not exceed seven.

(46) "Pupil instruction time" includes time spent in organized instruction, structured recess periods for which there has been an identifiable effort to provide guidance and structure and which are directly or indirectly under the supervision of a certified teacher, and passing time between classes.

(47) "Regularly enrolled full-time pupil" means a pupil who meets the definition of "enrolled student", is participating in organized instruction offered by the district, and is included in average student count adjusted for part-time and full-time students, represented in the ANB of a school district.

(48) "Related services block grant payment to cooperatives" means the district's share of the related services block grant payment paid directly to the cooperative in which the district participates. The payment to the cooperative is used by participating districts for budgeting purposes only. When used in ARM Title 10, the term "special education allowable cost payment" does not include the related services block grant payment to cooperatives.

(49) "Retirement fund" means the district fund authorized by 20-9-501, MCA, for financing the employer's contribution to the teachers' retirement systems, the public employees retirement system, unemployment compensation, social security, and Medicare.

(50) "Retirement mill levy" means the mills levied under 20-9-501, MCA, to support a county's elementary or high school retirement fund.

(51) "School block grant" means the block grants paid by the state to a school district's budgeted funds as provided in 20-9-630, MCA.

(52) "School facility reimbursement" means the amount distributed to each school district for the state share of the district's school facility entitlement as defined in 20-9-370, MCA.

(53) "State technology aid" means the amount distributed to schools in accordance with 20-9-343, MCA.

(54) "Special education allowable cost payment" means the amount of the state special education appropriation distributed to a district for its special education program. It includes the district's instructional block grant payment, the related service block grant payment if the district is not a member of a cooperative, and the district's reimbursement for excess disproportionate costs under 20-9-321, MCA. When used in ARM Title 10, the term "special education allowable cost payment" does not include the related services block grant payment if a district is a member of a cooperative.

(55) "State reimbursement for school facilities" means the amount appropriated by the Legislature for school facility reimbursements.

(56) "Statewide elementary GTB ratio" or "statewide high school GTB ratio" for GTBA funding of eligible districts' FY 20XX+1 BASE budgets means the ratio of 193% of the CY 20XX-1 statewide taxable valuation to the statewide elementary or high school total of FY 20XX GTBA budget area.

(57) "Statewide mill value" for calculating the FY 20XX+1 GTBA entitlement means the CY 20XX-1 state taxable valuation divided by 1,000.

(58) "Statewide retirement GTB mill value per elementary ANB" or "statewide retirement GTB mill value per high school ANB" means the CY 20XX-1 statewide mill value multiplied by 1.21, then divided by the statewide FY 20XX high school or elementary budgeted ANB.

(59) "Superintendent" means the Superintendent of Public Instruction.

(60) "Taxable value" means the value of all the taxable property within the boundaries of a district, county or the state as reported to the DOR. Taxable value is based on information delivered to the county Clerk and Recorder as required in 15-10-305, MCA, for the prior calendar year.

(61) "Three-year average ANB" means the average of current ANB for a three-year period, as calculated under 20-9-311, MCA. Three-year ANB for FY 20XX is based on the average of current ANB for FY 20XX, FY20XX-1, and FY 20XX-2, rounded up to the nearest whole ANB.

(62) "Total per-ANB entitlement" is defined as specified in 20-9-306(14), MCA.

(63) "Total school facility entitlement" is the district's total entitlement based on the per-ANB amounts defined in 20-9-370(1), MCA. For the purpose of calculating a district's total school facility entitlement, the rate set in 20-9-370(1)(c), MCA, applies only to 7th and 8th grade ANB in middle school, grades 7 and 8, and junior high programs approved and accredited by the Board of Public Education. (History: 20-9-102, MCA; IMP, Title 20, ch. 9, MCA; NEW, 1994 MAR p. 1824, Eff. 7/8/94; AMD, 1996 MAR p. 2168, Eff. 8/9/96; AMD, 1998 MAR p. 1719, Eff. 6/26/98; AMD, 2000 MAR p. 632, Eff. 2/25/00; AMD, 2002 MAR p. 1740, Eff. 6/28/02; AMD, 2004 MAR p. 1613, Eff. 7/23/04; AMD, 2006 MAR p. 3070, Eff. 12/22/06; AMD, 2008 MAR p. 1692, Eff. 8/15/08; AMD, 2010 MAR p. 1990, Eff. 9/10/10 ; AMD, 2016 MAR p. 880, Eff. 5/21/16.)