



Significant Enrollment Increase Guidance

The Office of Public Instruction (OPI) is providing this notice of HB 36 (2023 Legislative session) that revises the funding for significant enrollment increases. HB 36 modifies section 20-9-166, MCA, to allow significant enrollment increase (SEI) payments as described below. It also repeals 20-9-314, MCA, which provided procedures for determining eligibility and the amount of increased average number belonging (ANB) due to unusual enrollment increase.

The SEI Calculation worksheet can be found on the School Finance website under [State School Payments>Entitlements](#)

In general, the SEI payment eligibility process is described in the bill as follows:

- School districts that experience an enrollment increase based on the October enrollment count in the current year converted to ANB must be greater than the budget limitation ANB for the fiscal year three years prior by 110%.
- The SEI payment is described as an amount that is the difference between 80% of the district's total per-ANB entitlement for that fiscal year using the most current October enrollment count minus the "absorption factor", and 80% of the district's initial per-ANB entitlement for that fiscal year.
- The absorption factor is defined as an ANB amount rounded to the nearest whole number equal to the sum of five ANB plus 3% of the district's budget limit ANB for that fiscal year.

The **timeline** for the SEI payment is as follows:

- By December 1st each year following the October enrollment count, the OPI must determine the school districts that qualify for a SEI payment.
- By December 15th of each year, the OPI must notify schools of their eligibility for a SEI payment.
- No later than March 1st, the trustees of a SEI payment qualifying district are to notice OPI of acceptance of all or partial amount of the allowable SEI payment. This is done by adopting a general fund budget amendment and providing it to the OPI.
- Upon successful completion of the budget amendment process, the OPI will begin distribution of the SEI payments using appropriation authority from the BASE aid appropriation in HB 2. This payment will be distributed to schools by the OPI along with the direct state aid payment.

Example payment schedule for a District whose payment will begin in February who is eligible to receive \$10,000.00 will be paid out as follows:

February 10% - \$1,000.00, March 10% - \$1,000.00, April 10% - \$1,000.00, May 0% - \$0.00, June 70% - \$7,000.00 totaling \$10,000.00.

Accounting

Recording Funds Received:

Fund 01

Revenue Code 3119

Expenditures are to address costs associated with the enrollment increase, as per section 20-9-166(2)(d), MCA.

The [Budget Amendment Packet](#) is located on our website to help you with your budget amendment timelines and requirements.

If you have question about this process or need assistance, please call **Alivia Skeslien-Jenkins** at 406-444-1964 or email us at OPISchoolFinance@mt.gov