



Montana
Office of Public Instruction
Denise Juneau, State Superintendent

MONTANA OFFICE OF PUBLIC INSTRUCTION TUITION HANDBOOK

Contents

Section I: Definitions	3
Section II: Student Attendance in Montana Schools	3
Section III: Determining the Residency of a Student	3
Section IV: Out of District Attendance – FP-14 Student Attendance Agreements	4
A. Student Attendance Scenarios.....	4
B. Tuition Policy.....	5
C. Tuition Rates	6
D. Transportation	7
E. Tuition Forms	7
F. Tuition Payment.....	8
Section V: Day Treatment Programs.....	9
A. Approved day treatment programs	9
B. ANB Calculation.....	9
C. FP-15 Tuition Reimbursement	9
D. Accounting Guidance	10
E. Special Case: Out of District Attendance and Day Treatment	10
Section VI: In District Special Education Permissive Levy Calculator	10
A. Calculation Options.....	11
B. Maintenance of Effort.....	11
C. Accounting Guidance	11
Section VII: Detention Payments	12
A. Accounting Guidance	12
Section VII: Students Attending School Out of State	12
A. FP-15 Tuition Reimbursement	12
B. Accounting Guidance	13

Section I: Definitions

District of Choice – the district in which the student is enrolling outside the resident school district

District of Residence – the district the student would attend based on the location of their primary residence

Foster Care – care in a private residence licensed by the Department of Public Health and Human Services, including youth foster homes and kinship foster homes

State Licensed Group Home – a youth group home licensed by the Department of Public Health and Human Services

Section II: Student Attendance in Montana Schools

Students who meet the age, residency and enrollment requirements of a district are required to be admitted to a school within the district. However, parents, guardians, a state agency, the courts, or the resident school district, may feel that a student is better served in a non-resident school. Students enrolled in non-resident schools must have a tuition agreement in place prior to attendance. The non-resident district has the option to charge tuition.

There is one group of students exempted from the requirements of tuition law. Students who meet the definition of homeless, as defined in the Stewart B. McKinney Homeless Assistance Act, are required to be admitted to a district, regardless of residence. An out of district attendance agreement may not be required, nor may tuition be charged, for these students.

Section III: Determining the Residency of a Student

The residency of an unmarried minor is determined by the residency of the student's parents. If the parents do not share the same residence (they are unmarried, divorced or one parent is away from the residence), the student's residence is that of the parent with primary legal custody. If the parental rights of the parents have been terminated, the residency of the student is determined by the address of the court that made the decision to terminate parental rights.

If the student is married, regardless of age, or 18 or older at the time of enrollment, the student's address is their legal residence. If the student is under 18 at the time of enrollment, but turns 18 during the school year, the student's residence remains that of the parent or court for the remainder of the school year (or the period of enrollment, whichever is shorter).

Section IV: Out of District Attendance – FP-14 Student Attendance Agreements

A parent or guardian of a student may choose to enroll a student outside of their resident district or in another state or province adjacent to the county of the child's residence. That enrollment is subject to approval by the District of Choice. The District of Choice directs the parent or guardian to complete an out of district attendance agreement in accordance with district policy.

The trustees of a district may enter into a tuition agreement with another district for the provision of educational programs not offered by the resident district, including Kindergarten or a grade 7-8 program, or for a student needing services not available through the resident district. The tuition agreement is initiated by the resident district.

A student may be placed into a state-licensed group home by a parent or guardian or placed into foster care or a state-licensed group home by the state or a court. Foster care includes placement into a kinship home, youth shelter care facility, transitional living program, or youth assessment center. A group home must be licensed by the Department of Public Health and Human Services. Facilities licensed by the Department of Labor and Industry are not considered group homes for tuition purposes. The person making the placement is responsible for completing an out of district attendance agreement with the appropriate school official.

A. Student Attendance Scenarios

Mandatory

- The student resides closer to an out of district school, more than 3 miles from the resident school, and the resident district does not provide transportation;
- The student resides in a location where, because of geographic conditions, it is impractical to attend school in the resident district as determined by the county transportation committee using the following criteria:
 - ✓ a bus trip in excess of 1 hour for an elementary child
 - ✓ greater than 40 miles on a dirt road or 60 miles total one way from the child's home to school; or
 - ✓ the existence of a geographic barrier, such as a river or mountain, that poses a safety hazard for travel between home and school;
- The student is a member of a family required to send a high school student to another district, and the family lives more than 3 miles from the resident elementary district;
- The student is under the protective care of a state agency or has been adjudicated to be a youth in need of intervention or a delinquent youth; OR
- The student is required to attend school outside of the district of residence as the result of placement in foster care or a group home licensed by the state.

Discretionary

- A parent or guardian wishes to enroll a student in an district or state adjacent to the county of the student's residence;
- Agreement between districts to provide educational offerings not provided by the resident district, such as Kindergarten or 7-8 programs;
- Any other agreement between districts to provide regular or special education services to students.

B. Tuition Policy

The trustees of a school district may approve or disapprove an out of district attendance agreement consistent with Montana law and the policy adopted by the local board of trustees for out of district attendance agreements. Every district, regardless of whether or not they have students in attendance situations, should have a tuition policy. A tuition policy should outline, at a minimum, the following:

- Whether or not the district accepts out of district students, or under what circumstances the district will accept out of district students (mandatory, discretionary);
- The process that will be used to determine the acceptance of out of district students (the criteria for acceptance, who makes the determination of eligibility);
- What records are required to be examined before a student is accepted (educational records, discipline records, etc.);
- The way in which students are selected for admission once they meet the criteria (e.g., students of district employees, date of application, lottery)
- Date by which students must apply for reconsideration in a following year;
- The amount of tuition charged and the date(s) by which it must be paid;
- The process for students who move outside the district during the school year;
- The circumstances under which an attendance agreement may be revoked.

Districts may not base their approval or disapproval of discretionary out-of-district attendance agreements on a student's disability.

The Office of Public Instruction does not have sample policies available to districts. Trustees should contact the Montana School Board Association or their own district counsel for advice in drafting and adopting a tuition policy.

A district may create their own forms for tuition, in addition to the FP-14, which is required to be completed for every tuition student.

C. Tuition Rates

Montana law gives the local board of trustees the authority to set tuition rates. The maximum rate charged for regular tuition may not exceed 20% of the maximum per-ANB rate set for the year of attendance.

Special tuition rates may be added to the regular tuition rate, above, if the child has a disability or is a student without a disability who requires a special program with costs that exceed the average district cost. When a parent is required to pay tuition, the District of Choice may not charge the special tuition rate in addition to the regular rate.

There are 4 different calculations for special tuition rates:

1. **Option A:** The Option A tuition rate is based upon the hours of services required per week in a student's Individualized Education Program (IEP). A minimum of 15 hours per week is required for this calculation. The special rate is determined by dividing the number of hours per week required in the IEP by 30, then multiplying the result by the regular tuition rate $((x \text{ hours per week} / 30 \text{ hours}) \times (\text{regular tuition}))$.
2. **Option B:** The Option B tuition rate is based upon the services provided to a student with an IEP. The costs are for special education and related services unique to the student (including one-on-one staff, specialized equipment and supplies), excluding the cost of removal of architectural barriers, costs of ordinary special education services, including teacher salaries and benefits, and costs of equipment and supplies commonly used in special education programs.
3. **Option C:** The Option C tuition rate is applied to specific school district programs providing services for students with incidence disabilities, including programs allow out of district enrollment specifically for the program. The rate is determined by calculating the total cost of the program and dividing by the average number of students expected to participate in the program for the following year. The application of this rate requires the prior approval of the OPI.
4. **Programs Exceeding Average District Cost:** The Programs Exceeding Average District Cost rate is for students without disabilities that have higher educational costs than the average cost for other students in the district. The maximum tuition rate paid under this option may not exceed \$2,500.

The total cost of a student's program under Option B and Option C rates are reduced by 80% of the maximum per-ANB rate and the Special Education Block Grant (Instructional Block Grant and Related Services Block Grant). Option A, B and C rates are paid in addition to the regular rate for a student's year of attendance. A district may charge for a special rate and waive the regular tuition rate.

If a district charges tuition for out of district attendance, the tuition rates must be the same for each type of entity (parent, district, state) that is being charged. The only

exception is that elementary and high school districts operating under a combined board or a K-12 district may set different tuition rates for elementary (K-8) and high school programs. Below are some examples of acceptable and unacceptable tuition charges:

Situation	Who is Paying?	Acceptable – Yes/No
District charges \$1,000 for out of district attendance. However, they waive tuition for students of employees.	Parents/Parents	No
District charges \$1,000 in tuition for students from District A and \$1,200 in tuition for students from District B.	Parents/Parents	No
District waives tuition for a student in grade 4 and charges \$1,200 in tuition for a sibling of that student in grade 10.	Parents/Parents	Yes
District charges \$1,000 in tuition to the state for students placed in a district group home, but no tuition for discretionary out of district attendance.	State/Parents	Yes
District charges a neighboring elementary district \$1,200 per student for educating their resident 7 th and 8 th grade students, but charges parents \$1,000 for discretionary out of district attendance.	District/Parents	Yes

D. Transportation

Transportation may or may not be included in a student’s attendance agreement. If transportation is included in the attendance agreement, the District of Choice or the District of Residence may provide transportation to a student. Either district or the parent/guardian may be responsible for payment. Payment is determined as follows:

- A set dollar amount per mile;
- Over-schedule costs; or
- Reimbursement under a TR-4 Individual Transportation Contract

Tuition receipts are credited to the district transportation fund.

E. Tuition Forms

Every student attending school outside their resident district must have a signed FP-14 Student Attendance Agreement on file with the District of Choice. The agreement should be completed before the student’s first day of attendance. The agreement must be

approved and signed by the chair of the district's board of trustees. The District of Choice must then send a copy of the approved agreement to the student's resident district. If the state is responsible for paying tuition, the District of Choice sends the agreement to the OPI before sending the agreement to the student's resident district.

The District of Residence should approve, disapprove, or acknowledge the agreement and return a copy to the District of Choice. If the resident district is in a different county than the District of Choice, the resident district should forward a copy to their county superintendent. If the District of Choice is in the same county as the resident district, the District of Choice will forward a copy of the agreement to the county superintendent.

Students with disabilities or in programs with above average costs may also have an FP-14A Special Tuition Rates form completed. An extra tuition payment may be calculated for students who meet the requirements. However, parents may not be charged additional tuition for students with disabilities, only another district or the state.

F. Tuition Payment

Tuition rates are prorated based on the number of portion of the year the student is enrolled in the district. The total tuition charge is calculated by dividing the number of days the student is enrolled (not attended) by the number of scheduled pupil instruction days in the District of Choice for the year of attendance.

Parents or guardians are required to pay the tuition amount in accordance with district policy. When a district is required to pay tuition, half must be paid by December 31st and the remainder by June 15th of the school fiscal year following the year of attendance. State tuition payments are paid after the submission is completed in MAEFAIRS, no earlier than the August payment in the school fiscal year following the year of attendance. All state paid tuition claims must be submitted no later than December 31 following the year of attendance.

Tuition receipts are credited to the district general fund and transportation receipts are credited to the transportation fund, with the following exceptions:

- ✓ Receipts for an out of district placement of a student without disabilities in a Program Exceeding Average District Cost due to placement in the protective custody of the state, a group home, or foster care that exceed receipts from the prior year may be credited to the miscellaneous programs fund and used for that year to support the cost of the program for which the tuition was received;
- ✓ Tuition receipts for the current school fiscal year for a child with a disability that exceed the amount received for a student without disabilities may be credited to the

- miscellaneous programs fund and used for that year to support the cost of the program for which the tuition was received; OR
- ✓ Any other tuition receipts for the current school fiscal year that exceed the tuition receipts of the prior year credited to the miscellaneous programs fund and used in the manner provided for in that fund (for the ensuing fiscal year, the receipts must be credited to the district general fund budget).

Section V: Day Treatment Programs

Students attending day treatment programs require special consideration. Several factors influence how these students are enrolled in the district, whether or not they are counted for ANB, and how their educational program is funded. Those factors include:

- ✓ The program the student is enrolled in;
- ✓ Whether or not the student has an IEP; and
- ✓ If the school is either providing the educational services or paying for them;

A. Approved day treatment programs

The following programs are considered private, non-sectarian day treatment programs for the purposes of tuition:

1. AWARE, Anaconda (operated in conjunction with the school district)
2. Intermountain, Helena and Kalispell
3. Youth Dynamics, Boulder and Bozeman
4. New Day, Billings
5. Yellowstone Boys and Girls Ranch, Billings (the elementary is public school, the high school is private)

B. ANB Calculation

Students placed in private, non-sectarian day treatment programs cannot be included in a district's ANB calculation. They may be enrolled at the district, if they are attending at district expense, but they should be marked "exclude from ANB" for the Fall and Spring count dates.

C. FP-15 Tuition Reimbursement

Districts may apply for an FP-15 tuition reimbursement for resident students attending private, non-sectarian day treatment programs under an approved IEP in the previous school year. The request must be submitted no later than December 31 following the student's year of attendance. The request must include a copy of the tuition invoice from

the day treatment program and a completed FP-15 Tuition Report. The payment to districts will be the lesser of: 1) the state portion of the per-ANB entitlement for which the district would have been eligible if the student had been enrolled in the resident district in the prior year; or 2) the district's actual payment of tuition or fees for the service for the student in the previous year.

D. Accounting Guidance

Tuition reimbursements paid under an FP-15 are deposited into the district tuition fund and must be used by the district to pay obligations for resident students attending public schools out of state, for resident students attending day treatment programs under an IEP at private, non-sectarian day treatment programs at district expense.

All students attending private, non-sectarian day treatment programs must be excluded from ANB. However, students who do not have an IEP are ineligible for a tuition reimbursement and the district may not use the tuition fund to pay the tuition charges. Regular education student programs are financed from the general fund (or any other allowed fund).

E. Special Case: Out of District Attendance and Day Treatment

A student may be placed in a group home or foster home outside their district of residence. The district where the student is placed may decide that the student is best served in a private, non-sectarian day treatment program. In that instance, the District of Choice retains the enrollment, but does not collect ANB for the student. The District of Choice completes a Student Attendance Agreement and is eligible to receive state-paid tuition for the student. The resident district is responsible for the payment of the educational fees for the day treatment program, is eligible for an FP-15 Tuition reimbursement, and may use their district tuition fund to pay the cost (provided the student was placed pursuant to their IEP).

Section VI: In District Special Education Permissive Levy Calculator

A provision added in the 2013 legislative session allows districts to use their tuition fund to pay the full costs of providing a free appropriate public education to any resident student with a disability. The amount of the levy is limited to the actual cost of service under the student's IEP, minus the following:

- a. The student's state special education payment;
- b. The student's federal special education payment;
- c. The student's per-ANB amount

- d. The prorated portion of the district's basic entitlement; and
- e. The prorated portion of the district's general fund payments (the quality educator payment, the at-risk student payment, the Indian education for all payment, and the American Indian achievement gap payment)

To assist districts in calculating the levy amount, the OPI has developed a spreadsheet. Districts enter their LE number and the total cost of the student's educational program. The spreadsheet prorates the payments and subtracts them from the total program cost.

A. Calculation Options

Districts have two options for calculating their tuition levy:

1. Districts may levy in the year of enrollment, using the In-District Special Education Permissive Levy Calculator. Both the cost and the levy amount are estimated. Districts expend the calculated amount from the tuition fund and the remainder from the general fund (or any other allowed fund). At the end of the year, the district calculates actual cost and re-calculates the levy amount. If the final levy amount is less than what was estimated, lower the total tuition levy by the difference in the next fiscal year. If the final levy amount is more than what was estimated, the district has the option to increase the levy in the next year for the difference.
2. Districts may take an interfund loan to cover the costs estimated using the In-District Special Education Permissive Levy Calculator. Districts expend the calculated amount from the tuition fund and the remainder from the general fund (or any other allowed fund). At the end of the year, the district uses actual cost to generate a levy amount for the next fiscal year and pays back the interfund loan from the prior year.

The district may levy for both the prior year and the current year at the same time. However, districts should be aware of the overall impact the permissive levy will have on taxpayers. Districts may also opt to only levy a portion of the calculated levy amount if they so choose.

B. Maintenance of Effort

Expenditures with a 280 Program Code from the tuition fund are included in the Maintenance of Effort calculation. Districts should not use the permissive levy as a means to increase overall special education expenditures. It is intended to help districts pay for the costs of high needs special education students without sending them outside their resident district for services.

C. Accounting Guidance

Though not required, districts are encouraged to use a Project Reporter Code for each student a levy is requested for, in order to track expenditures from the tuition and general (or any other allowed) funds. Check with your auditor to find out what additional documentation they may require.

Section VII: Detention Payments

A student who has been placed in a county or regional detention facility is not eligible for ANB, even if the district contracts with the facility for the provision of educational services. Youth detention facilities in Montana are:

- a. Missoula County Juvenile Detention Facility (Missoula)
- b. Flathead County Juvenile Detention Facility (Kalispell)
- c. Richland County Juvenile Detention Facility (Sidney)
- d. Cascade County Juvenile Detention Facility (Great Falls)
- e. Troy Juvenile Detention Facility
- f. Ted Lechner Youth Services Center (Billings)
- g. RYO Juvenile Facility (Galen)

A. Accounting Guidance

A youth detention facility may charge a student's resident district \$20 per day for each youth detained more than 9 consecutive days during a school year. The bill for educational services must be sent to the district no later than June 30th. The district must pay the bill no later than July 15th. Districts may use the tuition fund to pay youth detention bills.

Section VII: Students Attending School Out of State

Students attending school out of state at district expense are eligible for a tuition reimbursement under the provisions of an FP-15. The amount of daily tuition for a child attending public school in another state may not be greater than the average annual cost for each student in the child's district of residence. This calculation is determined by totaling all of the expenditures for all of the district budgeted funds for the preceding school fiscal year and dividing that amount by the October enrollment in the preceding fiscal year.

A. FP-15 Tuition Reimbursement

Districts may apply for an FP-15 tuition reimbursement for resident students attending schools out of state, at district expense, in the previous school year. The request must be

submitted no later than December 31 following the student's year of attendance. The request must include a copy of the tuition invoice from the out of state school and a completed FP-15 Tuition Report. The payment to districts will be the lesser of: 1) the state portion of the per-ANB entitlement for which the district would have been eligible if the student had been enrolled in the resident district in the prior year; or 2) the district's actual payment of tuition or fees for tuition in the previous year.

B. Accounting Guidance

Tuition reimbursements paid under an FP-15 are deposited into the district tuition fund and must be used by the district to pay obligations for resident students attending public schools out of state, for resident students attending day treatment programs under an IEP at private, non-sectarian day treatment programs at district expense.