

## 1 SENATE BILL NO. 23

2 INTRODUCED BY D. SALOMON

3 BY REQUEST OF THE EDUCATION INTERIM COMMITTEE

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING SCHOOL FUNDING LAWS RELATED TO THE STATE  
6 SPECIAL REVENUE SCHOOL FLEXIBILITY ACCOUNT; ELIMINATING THE STATE SPECIAL REVENUE  
7 SCHOOL FLEXIBILITY ACCOUNT, DEFINITIONS RELATED TO THE ACCOUNT'S DISTRIBUTION  
8 FORMULA, AND THE LOCAL LEVY DEPENDENT ON THE STATE DISTRIBUTION; AMENDING SECTION  
9 20-9-543, MCA; REPEALING SECTIONS 20-9-541, 20-9-542, AND 20-9-544, MCA."

10

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12

13 **Section 1.** Section 20-9-543, MCA, is amended to read:

14 **"20-9-543. (Temporary) School flexibility fund -- uses.** (1) ~~(a)~~ The trustees of a district ~~shall~~may  
15 establish a school flexibility fund and may use the fund, in their discretion, for school district expenditures  
16 incurred for:

17 ~~(i)~~ (a) technological equipment enhancements and expansions considered by the trustees to support  
18 enhanced educational programs in the classroom;

19 ~~(ii)~~ (b) facility expansion and remodeling considered by the trustees to support the delivery of  
20 educational programs or the removal and replacement of obsolete facilities;

21 ~~(iii)~~ (c) supplies and materials considered by the trustees to support the delivery of enhanced  
22 educational programs;

23 ~~(iv)~~ (d) student assessment and evaluation;

24 ~~(v)~~ (e) the development of curriculum materials;

25 ~~(vi)~~ (f) training for classroom staff considered by the trustees to support the delivery of enhanced  
26 educational programs;

27 ~~(vii)~~ (g) purchase, lease, or rental of real property that must be used to provide free or reduced price  
28 housing for classroom teachers;

1           ~~(viii)~~ (h) salaries, benefits, bonuses, and other incentives for the recruitment and retention of classroom  
2 teachers and other certified staff, subject to collective bargaining when applicable;

3           ~~(ix)~~ (i) increases in energy costs caused by an increase in energy rates from the rates paid by the  
4 district in fiscal year 2001 or from increased use of energy as a result of the expansion of facilities, equipment,  
5 or other resources of the district; or

6           ~~(x)~~ (j) innovative educational programs as defined in 20-9-902 and technology deficiencies.

7           ~~(b)~~ If the district's ANB calculated for the current fiscal year is less than the ANB for the current fiscal  
8 year when averaged with the 4 previous fiscal years, the district may use money from the school flexibility fund  
9 to phase in over a 5-year period the spending reductions necessary because of the reduction in ANB.

10           ~~(2)~~ The trustees of a district shall fund the school flexibility fund with the money allocated under ~~[20-9-~~  
11 ~~904 and] 20-9-542 and with the money raised by the levy under 20-9-544.~~

12           ~~(3)~~ (2) The financial administration of the school flexibility fund must be in accordance with the  
13 financial administration provisions of this title for a budgeted fund. (Subsection (1)(a)(x) and bracketed  
14 language in subsection (2) terminate December 31, 2023--sec. 33, Ch. 457, L. 2015.)

15           **20-9-543. (Effective January 1, 2024) School flexibility fund -- uses.** (1) ~~(a)~~ The trustees of a  
16 district shall may establish a school flexibility fund and may use the fund, in their discretion, for school district  
17 expenditures incurred for:

18           ~~(i)~~ (a) technological equipment enhancements and expansions considered by the trustees to support  
19 enhanced educational programs in the classroom;

20           ~~(ii)~~ (b) facility expansion and remodeling considered by the trustees to support the delivery of  
21 educational programs or the removal and replacement of obsolete facilities;

22           ~~(iii)~~ (c) supplies and materials considered by the trustees to support the delivery of enhanced  
23 educational programs;

24           ~~(iv)~~ (d) student assessment and evaluation;

25           ~~(v)~~ (e) the development of curriculum materials;

26           ~~(vi)~~ (f) training for classroom staff considered ~~(f)~~ by the trustees to support the delivery of enhanced  
27 educational programs;

28           ~~(vii)~~ (g) purchase, lease, or rental of real property that must be used to provide free or reduced price

1 housing for classroom teachers;

2 ~~(viii)~~ (h) salaries, benefits, bonuses, and other incentives for the recruitment and retention of classroom  
3 teachers and other certified staff, subject to collective bargaining when applicable; or

4 ~~(ix)~~ (i) increases in energy costs caused by an increase in energy rates from the rates paid by the  
5 district in fiscal year 2001 or from increased use of energy as a result of the expansion of facilities, equipment,  
6 or other resources of the district.

7 ~~(b)~~ If the district's ANB calculated for the current fiscal year is less than the ANB for the current fiscal  
8 year when averaged with the 4 previous fiscal years, the district may use money from the school flexibility fund  
9 to phase in over a 5-year period the spending reductions necessary because of the reduction in ANB.

10 ~~(2)~~ The trustees of a district shall fund the school flexibility fund with the money allocated under 20-9-  
11 542 and with the money raised by the levy under 20-9-544.

12 ~~(3)~~ (2) The financial administration of the school flexibility fund must be in accordance with the  
13 financial administration provisions of this title for a budgeted fund."  
14

15 NEW SECTION. Section 2. Repealer. The following sections of the Montana Code Annotated are  
16 repealed:

17 20-9-541. Definitions.

18 20-9-542. School flexibility account -- distribution of funds.

19 20-9-544. District school flexibility fund levy.  
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21 - END -