

SENATE BILL NO. 6

INTRODUCED BY E. MCCLAFFERTY

BY REQUEST OF THE EDUCATION INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING SCHOOL DISTRICT TRUSTEES TO PRIORITIZE SCHOOL SAFETY AND SECURITY IMPROVEMENTS IN UTILIZING CERTAIN REVENUES; AMENDING SECTION 20-9-525, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 20-9-525, MCA, is amended to read:

"20-9-525. School major maintenance aid account -- formula. (1) There is a school major maintenance aid account in the state special revenue fund provided for in 17-2-102.

(2) [Subject to legislative fund transfer,] the purpose of the account is to provide, contingent on appropriation from the legislature, funding for school major maintenance aid as provided in subsection (3) for school facility projects that support a basic system of free quality public elementary and secondary schools under 20-9-309 and that involve, except as provided in subsection (7):

(a) first, making any repairs categorized as "safety", "damage/wear out", or "codes and standards" in the facilities condition inventory for buildings of the school district as referenced in the K-12 public schools facility condition and needs assessment final report prepared by the Montana department of administration pursuant to section 1, Chapter 1, Special Laws of December 2005; and

(b) after addressing the repairs in subsection (2)(a), any of the following:

(i) updating the facility condition inventory as recommended in the final report referenced in subsection (2)(a) with the scope and methods of the review to be determined by the trustees, employing experts as the trustees determine necessary. The first update must be completed by July 1, 2019, and each district shall certify the completion to the office of public instruction no later than October 31, 2019. Subsequent updates must be certified to the office of public instruction no less than once every 5 years following the first certification.

(ii) undertaking projects designed to produce operational efficiencies such as utility savings, reduced future maintenance costs, improved utilization of staff, and enhanced learning environments for students, including but not limited to projects addressing:



- 1 (A) roofing systems;
- 2 (B) heating, ~~air-conditioning~~ air-conditioning, and ventilation systems;
- 3 (C) energy-efficient window and door systems and insulation;
- 4 (D) plumbing systems;
- 5 (E) electrical systems and lighting systems;
- 6 (F) information technology infrastructure, including internet connectivity both within and to the school
- 7 facility; and
- 8 (G) other critical repairs to an existing school facility or facilities.

9 (3) (a) In any year in which the legislature has appropriated funds for distribution from the school major

10 maintenance aid account, the superintendent of public instruction shall administer the distribution of school major

11 maintenance aid from the school major maintenance aid account for deposit in the subfund of the building reserve

12 fund provided for in 20-9-502(3)(e). Subject to proration under subsection (5) of this section, aid must be annually

13 distributed no later than the last working day of May to a school district imposing a levy pursuant to 20-9-502(3)

14 in the current school fiscal year, with the amount of state support per dollar of local effort of the applicable

15 elementary and high school program of each district determined as follows:

16 (i) using the taxable valuation most recently certified by the department of revenue under 15-10-202:

17 (A) divide the total statewide taxable valuation by the statewide total of school major maintenance

18 amounts and multiply the result by 171%;

19 (B) multiply the result determined under subsection (3)(a)(i)(A) by the district's school major maintenance

20 amount;

21 (C) subtract the district's taxable valuation from the amount determined under subsection (3)(a)(i)(B);

22 and

23 (D) divide the amount determined under subsection (3)(a)(i)(C) by 1,000;

24 (ii) determine the greater of the amount determined in subsection (3)(a)(i) or 18% of the district's mill

25 value; and

26 (iii) multiply the result determined under subsection (3)(a)(ii) by the district's school major maintenance

27 amount, then divide the product by the sum of the result determined under subsection (3)(a)(ii) and the district's

28 school major maintenance amount.

29 (b) For a district with an adopted general fund budget in the prior year greater than or equal to 97% of

30 the district's general fund maximum budget in the prior year, the amount determined in subsection (3)(a)(iii)

1 rounded to the nearest cent is the amount of school major maintenance aid per dollar of local effort, not to exceed
2 an amount that would result in the state aid composing more than 80% of the district's school major maintenance
3 amount.

4 (c) For a district with an adopted general fund budget in the prior year less than 97% of the district's
5 maximum budget in the prior year, multiply the amount determined in subsection (3)(a)(iii) by the ratio of the
6 district's adopted general fund budget in the prior year to the district's maximum general fund budget in the prior
7 year. The result, rounded to the nearest cent, is the amount of state school major maintenance aid per dollar of
8 local effort, not to exceed an amount that would result in the state aid composing more than 80% of the district's
9 school major maintenance amount.

10 (4) Using the taxable valuation most recently certified by the department of revenue under 15-10-202,
11 the superintendent shall provide school districts with a preliminary estimated amount of state school major
12 maintenance aid per dollar of local effort for the ensuing school year no later than March 1 and a final amount
13 for the current school year no later than July 31.

14 (5) If the appropriation from or the available funds in the school major maintenance aid account in any
15 school fiscal year are less than the amount for which school districts would otherwise qualify, the superintendent
16 of public instruction shall proportionally prorate the aid distributed to ensure that the distributions do not exceed
17 the appropriated or available funds.

18 (6) If in any fiscal year the amount of revenue in the school major maintenance aid account is sufficient
19 to fund school major maintenance aid without a proration reduction pursuant to subsection (5) and if in that same
20 fiscal year the amount of revenue available in the school facility and technology account established in 20-9-516
21 will result in a proration reduction in debt service assistance pursuant to 20-9-346(2)(b) for that fiscal year, the
22 state treasurer shall transfer any excess funds in the school major maintenance aid account to the school facility
23 and technology account, not to exceed the amount required to avoid a proration reduction.

24 (7) School district boards of trustees that have certified to the office of public instruction a current school
25 safety plan or emergency operations plan pursuant to 20-1-401 may, prior to addressing the school facility
26 projects under subsection (2) of this section, utilize the proceeds from the levy authorized in 20-9-502(3) and any
27 school major maintenance aid for improvements to school safety and security as described in 20-9-236(1).

28 ~~(7)~~(8) For the purposes of this section, the following definitions apply:

29 (a) "Local effort" means an amount of money raised by levying no more than 10 mills pursuant to
30 20-9-502(3) and, provided that 10 mills have been levied, any additional amount of money deposited or

1 transferred by trustees to the subfund pursuant to 20-9-502(3).

2 (b) "School major maintenance amount" means the sum of \$15,000 and the product of \$100 multiplied
3 by the district's budgeted ANB for the prior fiscal year. (Bracketed language in subsection (2) terminates June
4 30, 2019--sec. 28, Ch. 6, Sp. L. November 2017.)"

5

6 NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2019.

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