

# Montana State Legislature

**Exhibit Number:**

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School Capital Construction Grants, Building Maintenance and Repair Programs  
Section 1. **Applicability.** These rules become effective when signed by the Governor and filed by the Secretary of State. They pertain to major maintenance and routine maintenance issues. They also address site assessment, emergencies, the adequacy of school buildings and facilities and capital construction grants.

Section 2. **Definitions.**

- (a) "Applicant" means a public school district.
- (b) "Capital construction" and "capital construction project" mean replacement, renovation or new construction projects which increase the value of the school building or facility by improving the function of the building or facility or the capacity of the building or facility, or both, excluding major building and facility repair and replacement.
- (c) "Capital Construction Group" means the Capital Construction Advisory Group that has been established to assist the State Superintendent of Public Instruction in establishing statewide annual immediate capital construction needs.
- (d) "Department" means the Montana Office of Public Instruction.
- (e) "Director" means the Capital Construction Advisory Group Director.
- (f) "Educational building" means a school building or facility primarily used for providing the educational programs offered by a district in compliance with law, which is owned or leased by the district.
- (g) "Emergency" means a physical situation existing within a school district, which substantially impacts the ability of a district to provide educational programs required by law. More specifically, an emergency may be construed to be a situation where circumstances occur in a district suddenly where an educational facility is rendered unable to fulfill its purpose and temporary measures are required to address the emergency and no other means other than state emergency funds can reasonably be used for the same. Common examples may include, but not be limited to, problems caused by disaster (natural or otherwise), vandalism or environmental crisis. Problems that have been known for several years, but not acted on by the district, would not typically be deemed an emergency by the state. In the case where structural concerns are brought to light as a potential danger, the Emergency Response Advisory Committee (ERAC) is available to visit the school to validate the extent of the structural problems and determine the immediate need of the school.
- (h) "Immediate need" means the status of a deficient educational school building or facility. The condition is typically noted by a collective low level of system conditions that warrant immediate attention. An immediate need (deficient) school will be marked by one or more of the following conditions:
  - (i) A state assessed condition score of "Poor" for the building condition.
  - (ii) A non-emergency condition creating a major or critical health or safety hazard and so recognized by a building or other appropriate official, such as a city building or county health official.
  - (iii) A building condition that prohibits activities essential to the educational program. The magnitude of this category can be illustrated by the following example: a building may have a system that has failed, such as a roof or heating system, and this failed system is rendering the building in need of immediate attention. Some assessment may be required to see if the essential service(s) in question can reasonably be delivered in another district location.

- (iv) A condition of over-capacity of a school or facility where trends show no pending reduction of student crowding and students cannot be reasonably accommodated in a nearby facility operating at a lower capacity. The benchmark for capacity shall be the CEFPI (Council of Educational Facility Planners, International) national standards regarding average allowable students per teaching station.
- (i) "Inadequate" means school buildings that have conditions that impede the delivery of educational services. Conditions that may lead to inadequacies are typically remedied through major maintenance funding.
- (j) "Long-term planning" means the district's effort to anticipate the future needs of the students within the district regarding capital facilities.
- (k) "Major building and facility repair and replacement" means the repair or replacement of complete or major portions of school building and facility systems at irregular intervals, which is required to continue the use of the building or facility at its original capacity for its original intended use and is typically accomplished by contractors due to the personnel demand to accomplish the work in a timely manner, the level of sophistication of the work or the need for warranted work.
- (l) "Office building" means a building or facility primarily used in connection with or for the purpose of district administrative functions, the major purpose or use of which is not dedicated to the provision of educational programs offered by the district in accordance with law. "Office building" shall include maintenance facilities and storage buildings in which supplies are stored, personnel are employed or school buses are stored, maintained and serviced.
- (m) "Permanent modular structure" means any pre-built, factory constructed and assembled school building or facility that is placed on a permanent foundation and is expected to be used by the district for its designed lifetime.
- (n) "Portable building" means any pre-built, factory constructed and assembled school building or facility which is transported in an assembled condition to the location on which the building or facility is to be situated and which is acquired and used by the district for temporary purposes only.
- (o) "Routine maintenance and repair" means activities necessary to keep a school 24-3 building or facility in safe and good working order so that it may be used at its original or designed capacity for its originally intended purposes, including janitorial, grounds keeping and maintenance tasks done on a routine basis and typically accomplished by district personnel with exceptions for any routine tasks accomplished by contractors, such as elevator or other specialized equipment or building system maintenance.
- (p) "School buildings and facilities" means the physical structures and the land upon which the structures are situated, which are primarily used in connection with or for the purpose of providing the educational programs offered by a school district in compliance with law, including both student related and non-student related buildings and facilities.
- (q) "School district building advisory committee" means the committee organized by the school district board of trustees as required for purposes of developing and planning district school building and facility needs.
- (r) "Superintendent" means the State Superintendent of Public Instruction.
- (s) "Teacherage" means housing provided and owned by a school district for use as living quarters of a teacher or other school district employee.
- (t) "Warehouse building" means a school building or facility primarily used for storage of equipment, materials and other district property and supplies, including facilities constructed

solely to store school buses.

Section 4. **Long-Term Planning.** The *Montana Guidelines* specify that efficient use of existing space shall be required in district long-term planning. The Department encourages district long-term planning. This planning should incorporate all programs including routine maintenance, major maintenance and long-term capital construction needs.

Section 5. **Purpose.** These rules are meant to provide guidance to school districts relating to the management of routine maintenance and major maintenance funds and to outline procedures for school districts to apply for capital construction grants. They also provide information concerning the statewide assessment of school buildings, emergencies and site assessment.

Section 6. **Routine Maintenance and Repair.**

(a) Routine maintenance is a component within the educationally relevant cost-based model and involves those building and facility activities necessary to keep a structure in good working order and suitable for use for the purposes for which it was constructed. Districts are expected to accurately account for all routine maintenance expenditures.

(b) Examples of routine maintenance accounting functions include:

- (i) Operation and maintenance of plant services.
- (ii) Supervision of operation and maintenance of plant services. 24-4
- (iii) Operating buildings services.
- (iv) Care and upkeep of grounds services.
- (v) Care and upkeep of equipment services.
- (vi) Routine security services.
- (vii) Other operation and maintenance of plant services.

(c) Specific activities that are typically associated with routine maintenance include, but are not limited to:

- (i) Daily cleaning by custodians.
- (ii) Replacement of individual lamps and ballasts.
- (iii) Replacement of individual ceiling tiles.
- (iv) Basic repairs to plumbing fixtures.
- (v) Repairs to intercom and fire alarm systems.
- (vi) HVAC repairs and maintenance.
- (vii) Door and lockset repair and replacement
- (viii) Windowpane replacement.
- (ix) Painting individual classrooms or halls.
- (x) Minor roof repairs.
- (xi) Lawn and related maintenance.

(d) School districts will report their routine maintenance expenditures to the Department annually.

Section 7. **Major Building and Facility Repair and Replacement (Major Maintenance).**

(a) The Department will make two major maintenance payments each year to each district. These funds may be used to cover major *maintenance and repair* activities for both owned and leased space. The payments are designed to, over time, bring building condition adequacy up and are based upon each district's square footage on record in the Department. The districts are also expected to use these funds to keep schools above a maximum average degradation of 1 percent (1%) per year. Major maintenance payments may vary from year to year depending on current law.

(b) Each district shall report to the Department any building and facility project(s) or major repair and maintenance project(s) that change the gross square footage of its school buildings and facilities. Districts should submit these reports as changes are made.

(c) In calculating major maintenance payments for school facilities built before July 1, 1996, the Department will use a replacement value cost factor based upon the median estimate in the most current edition of the RS Means Construction Cost Index, modified to reflect current Montana construction costs.

(d) For school facilities built on or after July 1, 1996, the replacement value cost factor will be based on the actual costs for labor and materials used to construct the facility. Districts should report to the Department the actual cost of construction of any new school facility when the project is completed, if it differs from the application.

(e) Amounts distributed for major maintenance and repair must be deposited by each school district into a separate account, and a balance may accumulate from year to year. Districts will report expenditures from this account to the Department. It is understood that major maintenance funds will be prioritized to address the district's most urgent needs first.

(f) Examples of activities that *should not* be considered for building use in major maintenance areas are:

(i) Funding items predominantly used for routine maintenance (smaller scale maintenance at regular intervals).

(ii) Capital construction work, i.e. new construction or major renovation.

(iii) The purchase or transportation of portable or modular structures *when other means are available*.

(iv) Teacherage maintenance.

(v) Technology readiness equipment.

(vi) The provision of full-time or part-time salaries to school employees.

(vii) Demolition of large buildings or full-sized schools.

(g) Examples of major maintenance activities that could be funded out of this account are significant non-routine maintenance tasks that may include:

(i) Structural repairs to building and foundations.

(ii) Major roof repair or replacement.

(iii) Extensive plumbing work and repair.

(iv) Repair of interior or exterior walls.

(v) Repair of floors or ceilings, including new tile or carpet.

(vi) Repair of fixed equipment. Replacement is only authorized in cases 24-6 where the equipment has served out its useful life and replacement is realistically the only available means for addressing the problem.

(vii) Removal or encasement of asbestos.

(viii) Improvement of ADA-related access for the building or site related projects.

(ix) Significant maintenance of heating, ventilation and air conditioning systems, including the replacement of a major component such as a boiler. This may include the purchase of technology items or parts that are required for the HVAC systems to be effectively brought back on-line, or to reduce or eliminate the deficiencies as illustrated by the statewide condition assessment full report.

(x) Electrical system repair, including non-routine major component replacement (large motors, breakers, etc.) when necessary and wire harnesses/network wiring.

(xi) Site work and improvement. Common issues could be landscaping, parking lot paving, drainage problems, sidewalk repair, site lighting, playground improvement, etc. If it is deemed necessary that equipment or tools are absolutely needed, they should be predominantly used for non-routine maintenance purposes.

(xii) Architectural and engineering services. This may include studies that would lead to a net gain in dollars from more efficient use of major maintenance funds, or lead to removing deficiencies as illustrated by the statewide condition assessment full report.

(xiii) Small demolition projects (garages, trailers, very small buildings).

(xiv) Major and non-routine security and safety issues.

(xv) The purchase or transportation of portable or modular structures when *no other means are available*.

(xvi) Putting up a small storage shed (if it aids in maintenance).

(xvii) Energy efficiency improvements (if it will decrease maintenance *and* provide a net positive cash flow for the district after a reasonable payback period).

(xviii) Repair work to correct conditions causing poor indoor air quality.

(xix) Any of other unmentioned maintenance tasks that are irregular in occurrence and are as significant in scope as the above-mentioned tasks.

(h) In accordance with state law, a school district may apply for advance major building and facility repair and replacement payments by submitting a letter detailing the need for the advance payment, the amount required and the proposed repayment schedule to the Superintendent. The Superintendent shall review and evaluate each advance payment request utilizing the following criteria:

(i) The school building(s) in question have been identified by the Department within its statewide needs assessment as inadequate for educational or safety reasons.

(ii) The most recent statewide needs assessment indicates that the additional renovated or repaired building(s) are essential for the adequate instruction of students within the district.

(iii) The plans for the proposed project(s) comply with the minimum building standards established under state law.

(i) Future major building and facility repair and replacement payments under state law for any district receiving an advance payment under this section shall be made to the state capital construction account until the advance is repaid.

#### **Section 8. Capital Construction Grants.**

(a) It is recommended that the district's local building advisory committee include a representative of the Department in one or more committee meetings.

(b) Any school district, which has one or more buildings that fall under the "immediate need" definition, may apply for a capital construction grant under this section by submitting an application to the Department. The Department will make every effort to visit the site prior to the Capital Construction Advisory Group's review. Facility needs created by a district through changing the educational program so that it extends beyond the required educational services in are not considered to be in immediate need.

(c) In cases of new construction or major renovation, districts may elect to bond for facilities in excess of state standards. Minor renovation and targeted renewal are options when new construction and major renovation are not required to provide an adequate environment for students.