

HOUSE BILL NO. 611

INTRODUCED BY R. COOK, L. JONES

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4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE USE OF ~~VARIOUS~~ ACCOUNTS AND
5 FUNDS ~~TO IMPLEMENT PROVISIONS OF THE GENERAL APPROPRIATIONS ACT; REVISING THE~~
6 ADVANCING AGRICULTURAL EDUCATION IN MONTANA PROGRAM ACCOUNT; PROVIDING
7 INFLATIONARY INCREASES TO THE BASIC ENTITLEMENT, THE PER ANB ENTITLEMENT, AND THE
8 QUALITY EDUCATOR PAYMENT; REVISING THE USE OF THE SCHOOL FACILITY AND TECHNOLOGY
9 ACCOUNT; REVISING THE USE OF THE EMPLOYMENT SECURITY ACCOUNT TO INCLUDE THE
10 DEPARTMENT OF COMMERCE; REVISING THE USE OF THE RESEARCH AND COMMERCIALIZATION
11 ACCOUNT TO INCLUDE THE DEPARTMENT OF AGRICULTURE; PROVIDING RULEMAKING AUTHORITY;
12 AMENDING SECTIONS 20-7-334, 20-9-306, AND 20-9-516, ~~AND 39-51-409, AND 90-1-203, AND 90-3-1003,~~
13 MCA; AND PROVIDING AN EFFECTIVE DATE."

14
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16
17 **SECTION 1. SECTION 20-7-334, MCA, IS AMENDED TO READ:**

18 **"20-7-334. Advancing agricultural education in Montana program account.** (1) There is an
19 advancing agricultural education in Montana program account in the state special revenue fund provided for in
20 17-2-102.

21 (2) Money in the account and money appropriated by the legislature for the purpose of this section must
22 be used by the office of public instruction for addressing the stability of and making improvements to Montana's
23 agricultural education programs. The office of public instruction shall adopt rules to implement the national quality
24 program standards.

25 (3) (a) Each agricultural education program in the state that completes the national quality program
26 standard evaluation as adopted by rule and submits a plan of improvement to the office of public instruction's
27 agricultural education specialist ~~must~~ may receive a ~~one-time~~ payment of \$500. An agricultural education program
28 may not receive more than one payment in a school year.

29 (b) Each agricultural education program in the state that submits a detailed budget to increase the quality
30 of its agricultural education program based on the plan of improvement may receive a ~~one-time~~ payment of up

1 to \$1,000. An agricultural education program may not receive more than one payment in a school year.

2 (c) Each school that adds agricultural education to its curriculum and recruits and retains an endorsed
3 agricultural education teacher must receive a one-time payment of up to \$7,500.

4 (d) Program administrators in Bozeman and Helena must receive a total of \$11,250 annually for the costs
5 of providing a minimum of one onsite visit each year to each participating school."
6

7 ~~SECTION 2. SECTION 20-9-306, MCA, IS AMENDED TO READ:~~

8 ~~"20-9-306. Definitions. As used in this title, unless the context clearly indicates otherwise, the following~~
9 ~~definitions apply:~~

10 ~~(1) "BASE" means base amount for school equity.~~

11 ~~(2) "BASE aid" means:~~

12 ~~(a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the~~
13 ~~general fund budget of a district;~~

14 ~~(b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement,~~
15 ~~up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and 40% of the~~
16 ~~special education allowable cost payment;~~

17 ~~(c) the total quality educator payment;~~

18 ~~(d) the total at-risk student payment;~~

19 ~~(e) the total Indian education for all payment; and~~

20 ~~(f) the total American Indian achievement gap payment.~~

21 ~~(3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the basic~~
22 ~~entitlement, 80% of the total per-ANB entitlement, 100% of the total quality educator payment, 100% of the total~~
23 ~~at-risk student payment, 100% of the total Indian education for all payment, 100% of the total American Indian~~
24 ~~achievement gap payment, and 140% of the special education allowable cost payment.~~

25 ~~(4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may~~
26 ~~be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through~~
27 ~~20-9-369.~~

28 ~~(5) "BASE funding program" means the state program for the equitable distribution of the state's share~~
29 ~~of the cost of Montana's basic system of public elementary schools and high schools, through county equalization~~
30 ~~aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in support of the~~

- 1 ~~BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.~~
- 2 ~~—— (6) "Basic entitlement" means:~~
- 3 ~~—— (a) for each high school district:~~
- 4 ~~—— (i) \$246,085 \$258,284 for fiscal year 2010 2012; and~~
- 5 ~~—— (ii) \$253,468 \$262,236 for each succeeding fiscal year;~~
- 6 ~~—— (b) for each elementary school district or K-12 district elementary program without an approved and~~
- 7 ~~accredited junior high school, 7th and 8th grade program, or middle school:~~
- 8 ~~—— (i) \$22,141 \$23,238 for fiscal year 2010 2012;~~
- 9 ~~—— (ii) \$22,805 \$23,594 for each succeeding fiscal year; and~~
- 10 ~~—— (c) for each elementary school district or K-12 district elementary program with an approved and~~
- 11 ~~accredited junior high school, 7th and 8th grade program, or middle school:~~
- 12 ~~—— (i) for kindergarten through grade 6 elementary program:~~
- 13 ~~—— (A) \$22,141 \$23,238 for fiscal year 2010 2012; and~~
- 14 ~~—— (B) \$22,805 \$23,594 for each succeeding fiscal year; plus~~
- 15 ~~—— (ii) for an approved and accredited junior high school program, 7th and 8th grade program, or middle~~
- 16 ~~school:~~
- 17 ~~—— (A) \$62,704 \$65,812 for fiscal year 2010 2012; and~~
- 18 ~~—— (B) \$64,585 \$66,819 for each succeeding fiscal year.~~
- 19 ~~—— (7) "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to~~
- 20 ~~20-9-311.~~
- 21 ~~—— (8) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement~~
- 22 ~~for the general fund budget of a district and funded with state and county equalization aid.~~
- 23 ~~—— (9) "Maximum general fund budget" means a district's general fund budget amount calculated from the~~
- 24 ~~basic entitlement for the district, the total per-ANB entitlement for the district, the total quality educator payment,~~
- 25 ~~the total at-risk student payment, the total Indian education for all payment, the total American Indian achievement~~
- 26 ~~gap payment, and the greater of:~~
- 27 ~~—— (a) 175% of special education allowable cost payments; or~~
- 28 ~~—— (b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures~~
- 29 ~~to the district's special education allowable cost payment for the fiscal year that is 2 years previous, with a~~
- 30 ~~maximum allowable ratio of 200%.~~

- 1 ~~———— (10) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted~~
2 ~~that is above the BASE budget and below the maximum general fund budget for a district.~~
- 3 ~~———— (11) "Total American Indian achievement gap payment" means the payment resulting from multiplying~~
4 ~~\$200 times the number of American Indian students enrolled in the district as provided in 20-9-330.~~
- 5 ~~———— (12) "Total at-risk student payment" means the payment resulting from the distribution of any funds~~
6 ~~appropriated for the purposes of 20-9-328.~~
- 7 ~~———— (13) "Total Indian education for all payment" means the payment resulting from multiplying \$20.40 times~~
8 ~~the ANB of the district or \$100 for each district, whichever is greater, as provided for in 20-9-329.~~
- 9 ~~———— (14) "Total per-ANB entitlement" means the district entitlement resulting from the following calculations~~
10 ~~and using either the current year ANB or the 3-year ANB provided for in 20-9-311:~~
- 11 ~~———— (a) for a high school district or a K-12 district high school program, a maximum rate of \$6,097 \$6,399~~
12 ~~for fiscal year 2010 2012 and \$6,280 \$6,497 for each succeeding fiscal year for the first ANB, decreased at the~~
13 ~~rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess~~
14 ~~of 800 receiving the same amount of entitlement as the 800th ANB;~~
- 15 ~~———— (b) for an elementary school district or a K-12 district elementary program without an approved and~~
16 ~~accredited junior high school, 7th and 8th grade program, or middle school, a maximum rate of \$4,763 \$4,999~~
17 ~~for fiscal year 2010 2012 and \$4,906 \$5,075 for each succeeding fiscal year for the first ANB, decreased at the~~
18 ~~rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess~~
19 ~~of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and~~
- 20 ~~———— (c) for an elementary school district or a K-12 district elementary program with an approved and~~
21 ~~accredited junior high school, 7th and 8th grade program, or middle school, the sum of:~~
- 22 ~~———— (i) a maximum rate of \$4,763 \$4,999 for fiscal year 2010 2012 and \$4,906 \$5,075 for each succeeding~~
23 ~~fiscal year for the first ANB for kindergarten through grade 6, decreased at the rate of 20 cents per ANB for each~~
24 ~~additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of~~
25 ~~entitlement as the 1,000th ANB; and~~
- 26 ~~———— (ii) a maximum rate of \$6,097 \$6,399 for fiscal year 2010 2012 and \$6,280 \$6,497 for each succeeding~~
27 ~~fiscal year for the first ANB for grades 7 and 8, decreased at the rate of 50 cents per ANB for each additional ANB~~
28 ~~for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of~~
29 ~~entitlement as the 800th ANB.~~
- 30 ~~———— (15) "Total quality educator payment" means the payment resulting from multiplying \$3,036 \$3,042 for~~

1 fiscal year ~~2008-2012~~ and ~~\$3,042~~ \$3,089 for each succeeding fiscal year times the number of full-time equivalent
 2 educators as provided in ~~20-9-327~~."

3
 4 ~~Section 3.~~ Section 20-9-516, MCA, is amended to read:
 5 ~~"20-9-516. School facility and technology account.~~ (1) There is a school facility and technology
 6 account in the state special revenue fund provided for in ~~17-2-102~~. The purpose of the account is to provide
 7 money to schools for:

- 8 ~~(a) major deferred maintenance;~~
- 9 ~~(b) improving energy efficiency in school facilities;~~
- 10 ~~(c) critical infrastructure in school districts;~~
- 11 ~~(d) emergency facility needs; and~~
- 12 ~~(e) technological improvements; and~~
- 13 ~~(f) state reimbursement for school facilities as provided in 20-9-371.~~

- 14 ~~(2) There must be deposited in the account:~~
- 15 ~~(a) an amount of money equal to the income attributable to the difference between the average sale~~
 16 ~~value of 18 million board feet and the total income produced from the annual timber harvest on common school~~
 17 ~~trust lands during the fiscal year;~~
- 18 ~~(b) the mineral royalties transferred from the guarantee account as provided in 20-9-622; and~~
- 19 ~~(c) the rental income received from power site leases as provided in 77-4-208."~~

20
 21 ~~Section 4.~~ Section 39-51-409, MCA, is amended to read:
 22 ~~"39-51-409. Employment security account.~~ (1) There is an account in the state special revenue fund
 23 called the employment security account:

- 24 ~~(2) Money deposited in the employment security account may be appropriated to the department for~~
 25 ~~payment of:~~
- 26 ~~(a) unemployment insurance benefits;~~
- 27 ~~(b) expenses incurred in the administration of the unemployment insurance program;~~
- 28 ~~(c) expenses incurred in collecting money deposited in the account;~~
- 29 ~~(d) expenses incurred for the employment offices established in 39-51-307, including expenses for~~
 30 ~~providing services to the business community;~~

1 ~~—— (e) expenses incurred for the apprenticeship and workforce development training program programs;~~

2 ~~—— (f) expenses for displaced homemaker programs provided for under 39-7-305;~~

3 ~~—— (g) expenses for department research and analysis functions that provide employment, wage, and~~
4 ~~economic data;~~

5 ~~—— (h) expenses for department functions pertaining to wage and hour laws, prevailing wages, and collective~~
6 ~~bargaining; and~~

7 ~~—— (i) principal, interest, and redemption premium on employment security revenue bonds authorized in~~
8 ~~section 5, Chapter 435, Laws of 2009.~~

9 ~~—— (3) Money deposited in the employment security account may be appropriated to the department of~~
10 ~~commerce for payment of expenses incurred for apprenticeship and workforce development training GRANTS as~~
11 ~~provided in 90-1-203 39-11-202.~~

12 ~~—— (3)(4) Except as provided in sections 6 and 12, Chapter 435, Laws of 2009, the department may transfer~~
13 ~~funds from the employment security account to the unemployment insurance fund account provided for in~~
14 ~~39-51-402 upon receiving approval from the budget director that the transfer will not decrease the money in the~~
15 ~~account below the level appropriated by the legislature to provide for the employment services programs identified~~
16 ~~in subsection subsections (2) and (3).~~

17 ~~—— (4)(5) The department may transfer appropriation authority in employment services programs between~~
18 ~~the federal special revenue and the state special revenue fund types."~~

19

20 ~~—— **Section 3.** Section 90-1-203, MCA, is amended to read:~~

21 ~~—— **"90-1-203. Types of financial assistance available.** (1) The department shall provide for and make~~
22 ~~grants and loans available to local governments and tribal governments for economic development projects and~~
23 ~~to certified regional development corporations from the money in the economic development special revenue~~
24 ~~account provided for in 90-1-205.~~

25 ~~—— (2) Subject to appropriation, the department shall provide for expenses incurred for apprenticeship and~~
26 ~~workforce development, including workforce training and job creation from the money in the employment security~~
27 ~~account provided for in 39-51-409.~~

28 ~~—— (2)(3) A grant or loan may not be used for a project that would result in the transfer or relocation of jobs~~
29 ~~from one part of the state to another part of the state."~~

30

1 **SECTION 2. SECTION 90-3-1003, MCA, IS AMENDED TO READ:**

2 **"90-3-1003. Research and commercialization account -- use.** (1) The research and commercialization
3 account provided for in 90-3-1002 is statutorily appropriated, as provided in 17-7-502, to the board of research
4 and commercialization technology, provided for in 2-15-1819, for the purposes provided in this section.

5 (2) The establishment of the account in 90-3-1002 is intended to enhance the economic growth
6 opportunities for Montana and constitute a public purpose.

7 (3) The account may be used only for:

8 (a) loans that are to be used for research and commercialization projects to be conducted at research
9 and commercialization centers located in Montana;

10 (b) grants that are to be used for production agriculture research, development, and commercialization
11 projects, clean coal research and development projects, or renewable resource research and development
12 projects to be conducted at research and commercialization centers located in Montana;

13 (c) matching funds for grants from nonstate sources that are to be used for research and
14 commercialization projects to be conducted at research and commercialization centers located in Montana; ~~or~~

15 (d) the Montana food and agricultural development program provided for in 80-11-901; or

16 ~~(d)~~(e) administrative costs that are incurred by the board in carrying out the provisions of this part.

17 (4) At least ~~20%~~ \$195,000 of the account funds ~~approved for research and commercialization projects~~
18 ~~must be directed~~ distributed on an annual basis to the department of agriculture to support and administer the
19 Montana food and agricultural development program provided for in 80-11-901 ~~toward projects that enhance~~
20 ~~production agriculture.~~

21 (5) (a) At least 30% of the account funds approved for research and commercialization projects must
22 be directed toward projects that enhance clean coal research and development or renewable resource research
23 and development.

24 (b) If the board is not in receipt of a qualified application for a project to enhance clean coal research and
25 development or renewable resource research and development, subsection (5)(a) does not apply.

26 (6) An applicant for a grant shall provide matching funds from nonstate sources equal to 25% of total
27 project costs. The requirement to provide matching funds is a qualifier, but not a criterion, for approval of a grant.

28 (7) The board shall establish policies, procedures, and criteria that achieve the objectives in its research
29 and commercialization strategic plan for the awarding of grants and loans. The criteria must include:

30 (a) the project's potential to diversify or add value to a traditional basic industry of the state's economy;

- 1 (b) whether the project shows promise for enhancing technology-based sectors of Montana's economy
2 or promise for commercial development of discoveries;
- 3 (c) whether the project employs or otherwise takes advantage of existing research and commercialization
4 strengths within the state's public university and private research establishment;
- 5 (d) whether the project involves a realistic and achievable research project design;
- 6 (e) whether the project develops or employs an innovative technology;
- 7 (f) verification that the project activity is located within the state;
- 8 (g) whether the project's research team possesses sufficient expertise in the appropriate technology area
9 to complete the research objective of the project;
- 10 (h) verification that the project was awarded based on its scientific merits, following review by a
11 recognized federal agency, philanthropic foundation, or other private funding source; and
- 12 (i) whether the project includes research opportunities for students.
- 13 (8) The board shall direct the state treasurer to distribute funds for approved projects. Unallocated
14 interest and earnings from the account must be retained in the account. Repayments of loans and any
15 agreements authorizing the board to take a financial right to licensing or royalty fees paid in connection with the
16 transfer of technology from a research and commercialization center to another nonstate organization or
17 ownership of corporate stock in a private sector organization must be deposited in the account.
- 18 (9) The board shall refer grant applications to external peer review groups. The board shall compile a
19 list of persons willing to serve on peer review groups for purposes of this section. The peer review group shall
20 review the application and make a recommendation to the board as to whether the application for a grant should
21 be approved. The board shall review the recommendation of the peer review group and either approve or deny
22 a grant application.
- 23 (10) The board shall identify whether a grant or loan is to be used for basic research, applied research,
24 or some combination of both. For the purposes of this section, "applied research" means research that is
25 conducted to attain a specific benefit or solve a practical problem and "basic research" means research that is
26 conducted to uncover the basic function or mechanism of a scientific question.
- 27 (11) For the purposes of this section:
- 28 (a) "clean coal research and development" means research and development of projects that would
29 advance the efficiency, environmental performance, and cost-competitiveness of using coal as an energy source
30 well beyond the current level of technology used in commercial service;

1 (b) "renewable resource research and development" means research and development that would
2 advance:

3 (i) the use of any of the sources of energy listed in 69-3-2003(10) to produce electricity; and

4 (ii) the efficiency, environmental performance, and cost-competitiveness of using renewable resources
5 as an energy source well beyond the current level of technology used in commercial service."
6

7 ~~COORDINATION SECTION. SECTION 4. COORDINATION INSTRUCTION. IF HOUSE BILL NO. 2 IS NOT PASSED
8 AND APPROVED, THEN [THIS ACT] IS VOID.~~

9
10 NEW SECTION. Section 3. Severability. If a part of [this act] is invalid, all valid parts that are severable
11 from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part
12 remains in effect in all valid applications that are severable from the invalid applications.

13
14 NEW SECTION. Section 4. Effective date. [This act] is effective July 1, 2011.

15 - END -