



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

housing for classroom teachers;

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

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

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

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

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

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

- 20-9-541. Definitions.
- 20-9-542. School flexibility account -- distribution of funds.
- 20-9-544. District school flexibility fund levy.

- END -

SENATE BILL NO. 23

INTRODUCED BY D. SALOMON

BY REQUEST OF THE EDUCATION INTERIM COMMITTEE

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

I hereby certify that the within bill,
SB 23, originated in the Senate.

Secretary of the Senate

President of the Senate

Signed this _____ day
of _____, 2021.

Speaker of the House

Signed this _____ day
of _____, 2021.