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) 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:

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

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

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

(d) student assessment and evaluation;

(e) the development of curriculum materials;

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

(g) purchase, lease, or rental of real property that must be used to provide free or reduced price housing for classroom teachers;
salaries, benefits, bonuses, and other incentives for the recruitment and retention of classroom
teachers and other certified staff, subject to collective bargaining when applicable;

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

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.

(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) The trustees of a
district shall establish a school flexibility fund and may use the fund, in their discretion, for school district
expenditures incurred for:

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

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

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

(d) student assessment and evaluation;

(e) the development of curriculum materials;

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

(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) 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.