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Education Interim Committee
65th Montana Legislature

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TO: Education Interim Committee
FROM: Pad McCracken, Committee Staff
RE: LC 307S School Safety Bill Draft
DATE: June 1, 2018

The attached bill draft, LC 307S, reflects the concept proposed by Senator McClafferty at the March EDIC meeting. The new language on page 1 and page 5 of the draft clearly allows school district trustees to make school safety improvements the top priority in utilizing revenue from the new permissive levy for school major maintenance and any accompanying state major maintenance aid. The intent is to ensure that all districts have the financial wherewithal to make school safety improvements as the trustees deem necessary. New subsection (7) on page 5 includes references to the following sections.

From 20-1-401, MCA:

... (3) A board of trustees shall adopt a school safety plan or emergency operations plan that addresses issues of school safety relating to school buildings and facilities, communications systems, and school grounds with the input from the local community and that addresses coordination on issues of school safety, if any, with the county interdisciplinary child information and school safety team provided for in 52-2-211. The trustees shall certify to the office of public instruction that a school safety plan or emergency operations plan has been adopted. The trustees shall review the school safety plan or emergency operations plan periodically and update the plan as determined necessary by the trustees based on changing circumstances pertaining to school safety. Once the trustees have made the certification to the office of public instruction, the trustees may transfer funds pursuant to 20-9-236 to make improvements to school safety and security.

From 20-9-502, MCA:

... (3) (a) A subfund must be created to account for revenue and expenditures for school major maintenance and repairs authorized under this subsection (3). Except as provided in subsection (3)(g), the trustees of a district may authorize and impose a levy of no more than 10 mills on the taxable value of all taxable property within the district for that school fiscal year for the purposes of raising revenue for identified school major maintenance projects meeting the requirements of 20-9-525(2). The 10-mill limit under this section must be calculated using the district's total taxable valuation most recently certified by the department of revenue under 15-

10-202. The amount of money raised by the levy, the deposits and transfers authorized under subsection (3)(f) of this section, and anticipated state aid pursuant to 20-9-525(3) may not exceed the district's school major maintenance amount. For the purposes of this section, the term "school major maintenance amount" means the sum of \$15,000 and the product of \$100 multiplied by the district's budgeted ANB for the prior fiscal year. To authorize and impose a levy under this subsection (3), the trustees shall:

(i) following public notice requirements pursuant to 20-9-116, adopt no later than June 1 for fiscal year 2017 only and no later than March 31 for fiscal years 2018 and subsequent fiscal years, a resolution:

(A) identifying the anticipated school major maintenance projects for which the proceeds of the levy, the deposits and transfers authorized under subsection (3)(f) of this section, and anticipated state aid pursuant to 20-9-525(3) will be used; and

(B) estimating a total dollar amount of money to be raised by the levy, the deposits and transfers authorized under subsection (3)(f) of this section, anticipated state aid pursuant to 20-9-525(3), and the resulting estimated number of mills to be levied using the district's taxable valuation most recently certified by the department of revenue under 15-10-202; and

(ii) include the amount of any final levy to be imposed as part of its final budget meeting noticed in compliance with 20-9-131.

(b) Proceeds from the levy may be expended only for the purposes under 20-9-525(2), and the expenditure of the money must be reported in the annual trustees' report as required by 20-9-213.

...

From 20-9-236, MCA:

(1) A school district may transfer state or local revenue from any budgeted or nonbudgeted fund, other than the debt service fund or retirement fund, to its building reserve fund in an amount not to exceed the school district's estimated costs of improvements to school safety and security as follows:

(a) planning for improvements to school safety, including but not limited to the cost of services provided by architects, engineers, and other consultants;

(b) installing or updating locking mechanisms and ingress and egress systems at public school access points, including but not limited to systems for exterior egress doors and interior passageways and rooms, using contemporary technologies;

(c) installing or updating bullet-resistant windows and barriers; and

(d) installing or updating emergency response systems using contemporary technologies.

...

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As of: May 24, 2018 (12:19pm)

LC307S

**** Bill No. ****

Introduced By *****

By Request of the *****

FOR DISCUSSION PURPOSES

A Bill for an Act entitled: "An Act allowing school district trustees to prioritize school safety and security improvements in utilizing certain revenue; 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) 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:

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

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(3) (a) In any year in which the legislature has appropriated funds for distribution from the school major maintenance aid account, the superintendent of public instruction shall administer the distribution of school major maintenance aid from the school major maintenance aid account for deposit in the subfund of the building reserve fund provided for in 20-9-502(3)(e). Subject to proration under subsection (5) of this section, aid must be annually distributed no later than the last working day of May to a school district imposing a levy pursuant to 20-9-502(3) in the current school fiscal year, with the amount of state support per dollar of local effort of the applicable elementary and high school program of each district determined as follows:

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

(A) divide the total statewide taxable valuation by the statewide total of school major maintenance amounts and multiply the result by 171%;

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

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

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

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

(iii) multiply the result determined under subsection

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

(b) For a district with an adopted general fund budget in the prior year greater than or equal to 97% of the district's general fund maximum budget in the prior year, the amount determined in subsection (3)(a)(iii) rounded to the nearest cent is the amount of school major maintenance aid per dollar of local effort, not to exceed an amount that would result in the state aid composing more than 80% of the district's school major maintenance amount.

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

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

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final amount for the current school year no later than July 31.

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

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

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

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

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

(b) "School major maintenance amount" means the sum of \$15,000 and the product of \$100 multiplied by the district's budgeted ANB for the prior fiscal year."

{*Internal References to 20-9-525:*

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| 17-5-703 | 17-5-703 | 17-5-703 | 17-5-703 |
| 20-6-702 | 20-9-380 | 20-9-502 | 20-9-502 |
| 20-9-502 | 20-9-502 | 20-9-502 | 20-9-502 |
| 20-9-502 | 20-9-502 | 20-9-516 | 20-9-516 |
| 20-9-622 | 20-9-635 | 20-9-635 | ALL OK} |

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

- END -

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