

**Unofficial Draft Copy**

As of: 2020/05/14 05:26:56

Drafter: Pad McCracken, 406-444-3595

67th Legislature

PD 0008

\*\*\*\* BILL NO. \*\*\*\*

INTRODUCED BY \*\*\*\*

BY REQUEST OF THE \*\*\*\*

**THIS WORKING DRAFT RELATES TO THE STATE SPECIAL REVENUE SCHOOL FLEXIBILITY ACCOUNT**

**AND ISSUE #8 IN THE SCHOOL FUNDING MEMO FROM THE APRIL 30 EDIC MEETING**

A BILL FOR AN ACT ENTITLED: "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."

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

**Commented [MP1]:** Trustees were required to establish this fund in the one year that the LEG appropriated and distributed money to all districts out of the state flexibility account (roughly \$5 million in FY 2003).

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1 housing for classroom teachers;

2 ~~(viii)(h)~~ salaries, benefits, bonuses, and other incentives for the recruitment and retention of classroom

3 teachers and other certified staff, subject to collective bargaining when applicable;

4 ~~(ix)(i)~~ increases in energy costs caused by an increase in energy rates from the rates paid by the

5 district in fiscal year 2001 or from increased use of energy as a result of the expansion of facilities, equipment,

6 or other resources of the district; or

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

8 ~~(b) If the district's ANB calculated for the current fiscal year is less than the ANB for the current fiscal~~

9 ~~year when averaged with the 4 previous fiscal years, the district may use money from the school flexibility fund~~

10 ~~to phase in over a 5-year period the spending reductions necessary because of the reduction in ANB.~~

11 ~~(2) The trustees of a district shall fund the school flexibility fund with the money allocated under [ 20-~~

12 ~~9-904 and] 20-9-542 and with the money raised by the levy under 20-9-544.~~

13 ~~(3)(2)~~ The financial administration of the school flexibility fund must be in accordance with the

14 financial administration provisions of this title for a budgeted fund. (Subsection (1)(a)(x) and bracketed

15 language in subsection (2) terminate December 31, 2023--sec. 33, Ch. 457, L. 2015.)

16 **20-9-543. (Effective January 1, 2024) School flexibility fund -- uses.** (1) ~~(a)~~ The trustees of a

17 district ~~shall~~ may establish a school flexibility fund and may use the fund, in their discretion, for school district

18 expenditures incurred for:

19 ~~(i)(a)~~ technological equipment enhancements and expansions considered by the trustees to support

20 enhanced educational programs in the classroom;

21 ~~(ii)(b)~~ facility expansion and remodeling considered by the trustees to support the delivery of

22 educational programs or the removal and replacement of obsolete facilities;

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

24 educational programs;

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

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

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

28 educational programs;

**Commented [MP2]:** This subsection (b) is no longer relevant and was related to a former statutory requirement for reducing budgets over a 5-year period.

**Commented [MP3]:** This subsection (2) is not necessary, especially with the repeal of 20-9-542 and 20-9-544. 20-9-904 clearly directs revenue for innovative educational programs to districts' flexibility funds. Districts use a variety of revenue sources in their flexibility funds, but the largest by far is oil and gas taxes.

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