



## ADMINISTRATIVE RULES OF MONTANA

### 10.21.101I SCHOOL FACILITY ADVANCES AND REIMBURSEMENTS

- (1) A school facility reimbursement will be provided to an eligible district to meet the district's debt service obligation for general obligation bonds for school facility construction or renovation. A district may not receive a school facility reimbursement to meet its obligation for a special improvement district. Eligible districts are provided advances for school facilities in the first school fiscal year in which a debt service payment is budgeted.
- (2) A district is eligible to receive a school facility reimbursement for debt service obligations on bonds described in (1) if the district mill value per ANB is less than the facility guaranteed mill value per ANB. For a K-12 district, the eligibility of the elementary and high school programs for a school facility reimbursement is determined separately for each program.
- (3) Pursuant to 20-9-422 , MCA, regarding additional requirements for trustees' resolution calling a bond election, the State Superintendent of Public Instruction shall calculate an estimate of the amount of advance for which the district will be eligible. "Current year" information used to estimate this payment will be the current year information originally submitted on the final budget from the district and the prior year percentage used to prorate the state share of reimbursement for school facilities until the payment is made in May. After the May payment, "current year" information used to estimate the advance payment will be the ensuing year's information for ANB and district and facility guaranteed mill values and the most current percentage used to prorate the state share of reimbursement for school facilities.
- (4) A school district must report its annual debt service obligation for each bond issued by the district on the final budget form provided by the State Superintendent of Public Instruction. The Office of Public Instruction will calculate the school facility reimbursement for a district using the amounts reported for debt service obligations on the budget form.
- (5) The maximum reimbursement a district may receive is calculated on the lesser of the district's school facility entitlement or its current year debt service obligation for the bonds that qualify under (1) .
- (6) A district qualifies for a school facility reimbursement in the amount of the maximum reimbursement for the district multiplied by  $[1 - (\text{district mill value per ANB} / \text{facility guaranteed mill value per ANB})]$  .
- (7) If the legislative appropriation for the state reimbursement for school facilities is less than the amount for which districts qualify in (6) , the State Superintendent of Public Instruction will calculate the percentage that the appropriation represents of the total amount for which districts qualify. To determine the school facility reimbursement for each district, the State Superintendent of Public Instruction will apply that percentage to the amount calculated in (6) .

- (8) On or before May 31, the State Superintendent of Public Instruction shall distribute the state advance for school facilities and the state reimbursement for school facilities to qualifying districts for deposit in the district's debt service fund.
- (9) After the payment is made in May pursuant to 20-9-371 , MCA, actual state advance amounts for the ensuing fiscal year will be calculated using budgeted ANB and district and facility guaranteed mill values for the year in which the advance applies and the most current percentage of state share which will be considered "prior year's" percentage in the year in which the payment is made. The State Superintendent of Public Instruction will notify the districts of the amount to estimate as revenue in their debt service funds by the final budget meeting.
- (10) Enrollment adjustments due to audit and enrollment increases approved under 20-9-166 , MCA, after October 1, do not constitute a change in ANB for the purpose of calculating the district's eligibility for facilities reimbursement or advance. However, in cases of significant adjustments in ANB, the Superintendent of Public Instruction may require adjustment of facility reimbursements and advance funding.
- (11) Eligibility for a district with multiple bonding jurisdictions will be based on district budgeted ANB, district debt service mill value per budgeted ANB, and total district entitlement and obligations.
- (12) If a district has more than one bonding jurisdiction and the district has eligibility for facilities reimbursement in one or more jurisdiction(s) , those jurisdictions having eligibility will receive credit for the reimbursement.
- (13) If a district refunds more than one bond, the underwriter must provide schedule amounts representing the total of each of the refunded bonds.

**Authorizing statute(s):** 20-9-102, 20-9-369, MCA

**Implementing statute(s):** 20-9-366, 20-9-367, 20-9-368, 20-9-369, 20-9-370, 20-9-371, MCA

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**History:** NEW, 1994 MAR p. 1824, Eff. 7/8/94; AMD, 1996 MAR p. 2168, Eff. 8/9/96; AMD, 2000 MAR p. 632, Eff. 2/25/00; AMD, 2004 MAR p. 1613, Eff. 7/23/04; AMD, 2006 MAR p. 3070, Eff. 12/22/06.