

# K-12 Funding: School Facilities – **A Quick Review of Major Maintenance Aid**

School Funding Interim Commission

**Excerpts from the presentation provided** November 13<sup>th</sup> & 14<sup>th</sup>, 2025

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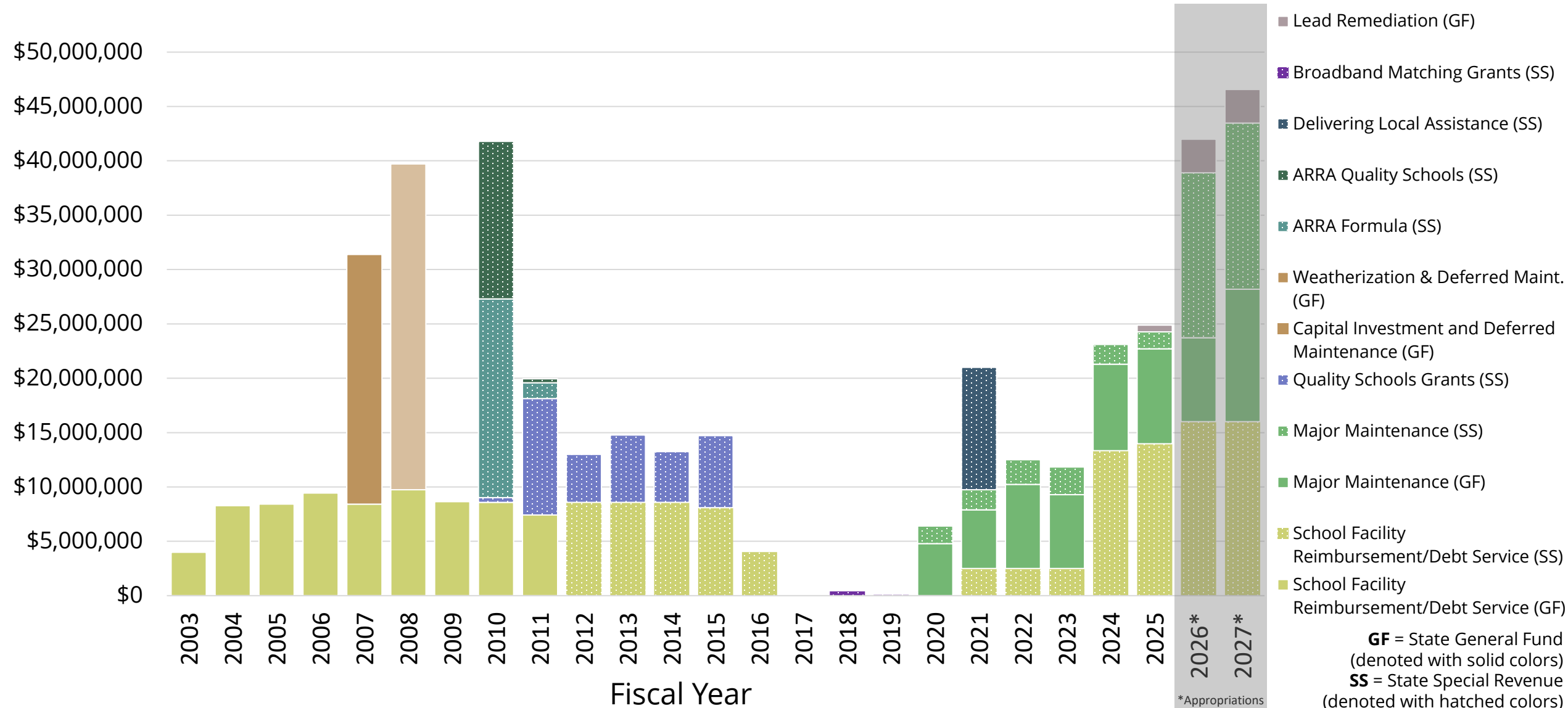


# School Facilities – 3 Tiers

The 2015-16 School Funding Interim Commission devoted considerable time to School Facilities and included the following in its [Final Report](#) findings:

1. The commission identified three “tiers” related to facility needs:
  - a. **Tier 1—Operations and regular maintenance (O&M)** – basically the normal costs of heating, cleaning, and running a building (the state and district share a large portion of these costs via the district general fund);
  - b. **Tier 2—Major maintenance** – those larger, periodic investments, like replacing a roof or boiler, resurfacing floors, fixing or replacing windows (this was an area of funding concern due to unpredictable state support of the QSFGP and lack of district commitment evidenced by just over a quarter of districts utilizing building reserve funds); and
  - c. **Tier 3—New construction including additions and major renovations** (district bond levies are the main funding vehicle for this and state support of poorer districts through the facility reimbursement program [now “debt service assistance”] has eroded over the last decade).
2. Local effort in building and maintaining district facilities helps ensure prudent planning and ongoing maintenance.
3. District capital improvement planning is more effective when:
  - a. districts are provided greater budgetary flexibility;
  - b. state support for school facilities is consistent;
  - c. state programs are flexible in meeting the varied needs of districts; and
  - d. districts have a long-term facilities plan based on an updated facility condition inventory.

# State Funding for School Facilities Over the Years

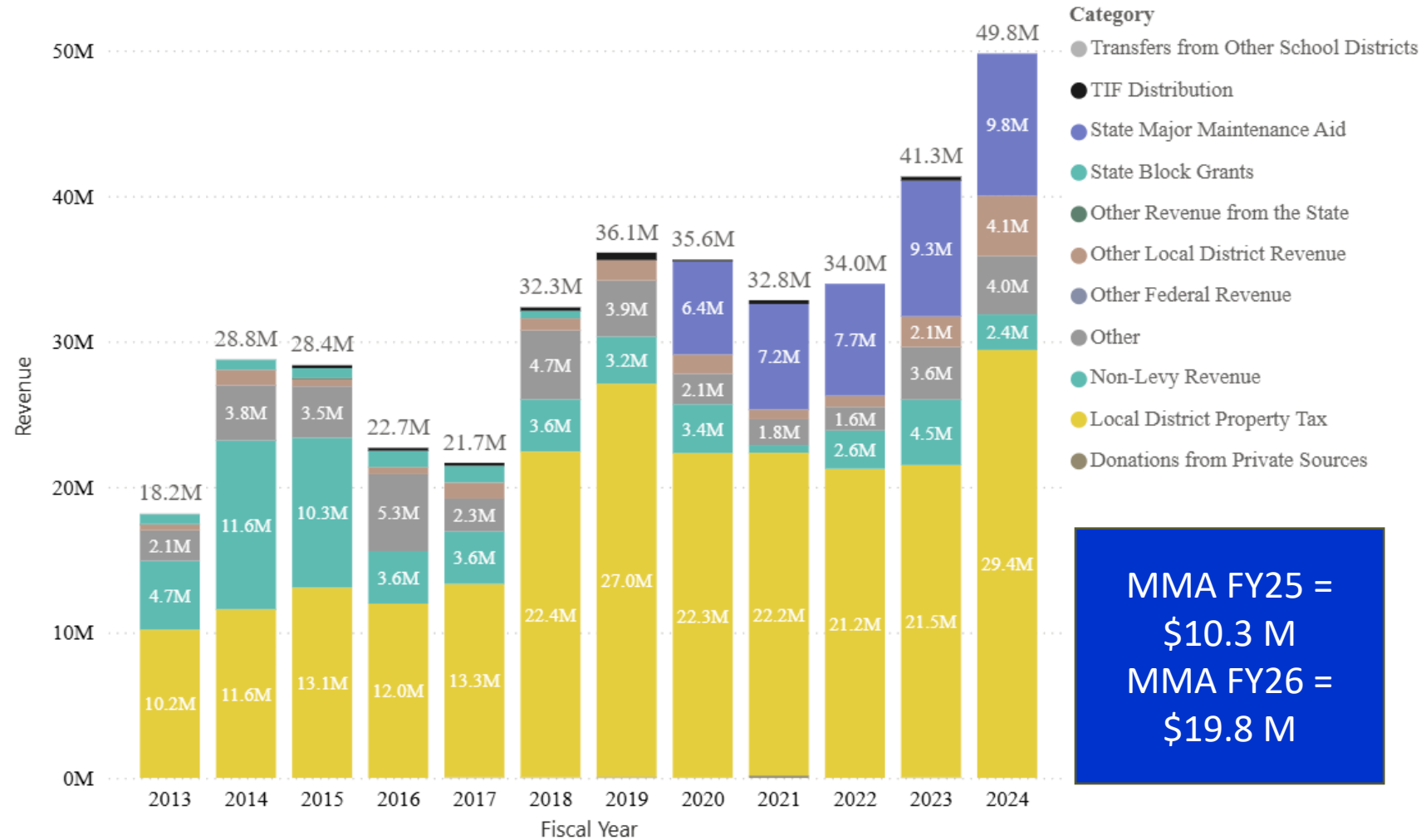


\*Appropriations

# The Building Reserve Fund – Revenues

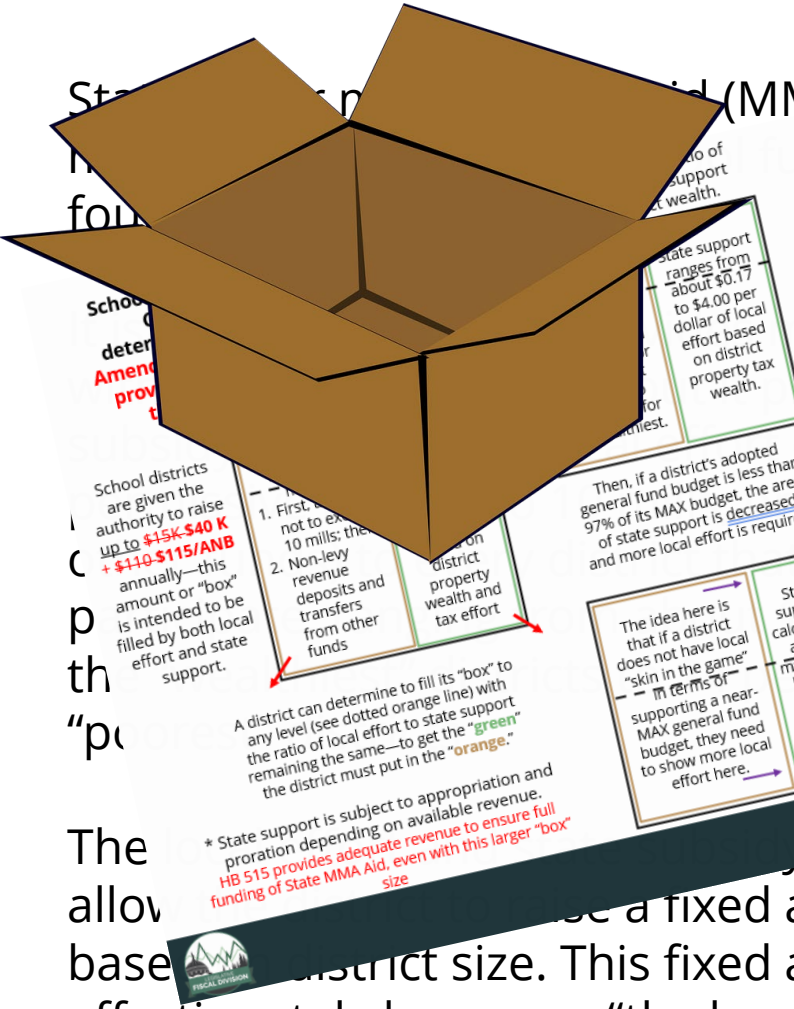
- [20-9-502, MCA](#)
  - Voted property tax levies for major maintenance projects
  - State major maintenance aid
  - Matching funds for state major maintenance aid are funded through a permissive district property tax levy (up to 10 mills for EL/HS districts & 20 mills for K-12 districts) or by transfers from other funds
  - Non-levy revenues
- See the [Building Reserve Fund Brochure](#) and the [School District General Fund Interactive Tool](#) to learn more.

The addition of state major maintenance aid beginning in FY 2020 has provided more funding in the building reserve fund while lowering property taxes.



**MMA FY25 = \$10.3 M**  
**MMA FY26 = \$19.8 M**

# State Major Maintenance Aid



The allow base use a fixed amount of revenue district size. This fixed amount is affectionately known as “the box.”

## MMA Quick Facts:

- State MMA and local effort are used to fill a “box” – the box size is based on \$40K per district plus \$115/ANB
- State MMA provides a state match per dollar of local effort ranging from 16¢ to \$4 depending on local property tax wealth
- This local effort is typically through a permissive levy capped at 10 mills, but nonlevy revenue and Impact Aid can also be used
  - In FY26 300 Districts utilized (≈20 district increase over FY25)
  - ≈100 districts not utilizing are mostly small districts (no apparent correlation with size of per \$ subsidy)
- Districts can decide each year whether and how much to fill the box
- State MMA is funded by a blend of general fund and state special revenue; it is subject to proration if revenue is insufficient

For a return to the deep dive:

[https://archive.legmt.gov/content/Committees/Interim/2025-2026/SFIC/November-13-14-2025/K12\\_Funding\\_Facilities\\_SFIC\\_11-13-2025.pdf](https://archive.legmt.gov/content/Committees/Interim/2025-2026/SFIC/November-13-14-2025/K12_Funding_Facilities_SFIC_11-13-2025.pdf)

# 2008 FCI Basics

Remember the Special Session of December 2005???

Facilities had been an area of concern in the Columbia Falls I lawsuit, and part of the state's response was to allocate \$2.5 million for a **facility conditions inventory** of EVERY school district building in the state.

- January to April 2008
- 42 field inspectors
- 15,000 hours
- 2,200 buildings
- 31 million square feet
- Finding: statewide cost to address facility deficiencies = \$360 million

The inventory was intended to provide each district a prioritized list of improvement projects to work from and update every 2-4 years.

Initially, state major maintenance aid required districts to “dust off” and update this inventory, but this requirement was subsequently removed to provide greater flexibility and reduce reporting requirements.