



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Director
AMY CARLSON

DATE: July 20, 2026

TO: School Funding Interim Commission

FROM: Kris Wilkinson, Senior Fiscal Analyst
Kate Johnson, Fiscal Analyst I

RE: School District Facilities and Major Maintenance Funding

The purpose of this memorandum is to provide the School Funding Interim Commission information on the following:

- An update on the Legislative Fiscal Division's 2026 school facility survey
- Review of the effect of the statutory changes to major maintenance funding enacted by the 2025 Legislature

SCHOOL DISTRICT FACILITIES

In 2008 a school facility survey was conducted on school buildings throughout Montana, developing an inventory of the buildings by school district. The facility survey targeted every school district and was conducted between January and April 2008 and identified 2,195 buildings with total square footage of 31,444,547 square feet.

UPDATING FACILITY SURVEY DATA

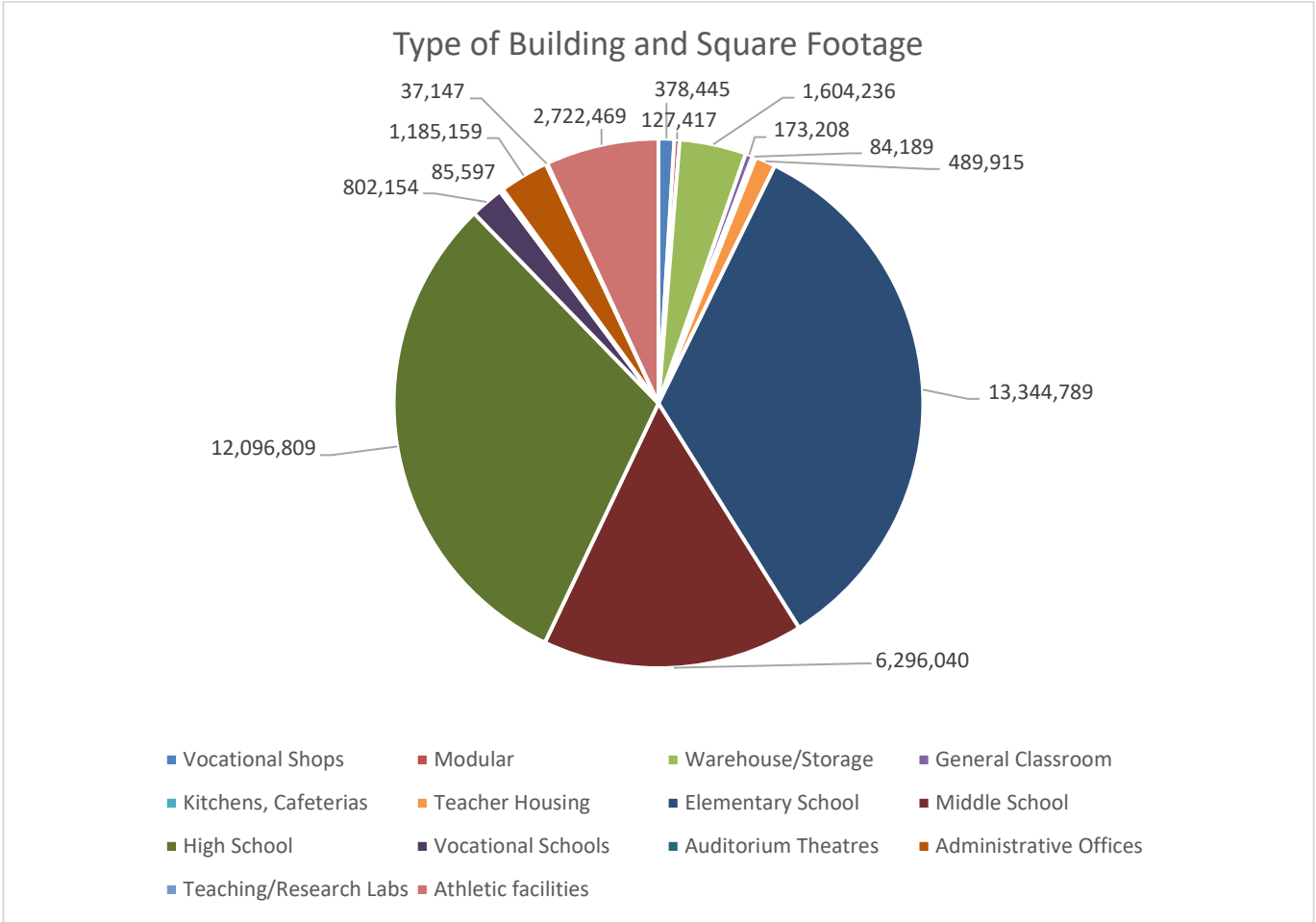
The Legislative Fiscal Division (LFD) has updated the 2008 inventory of K-12 school facilities throughout the state. This update is intended to add new facilities or additions, remove facilities taken out of service, and verify 2008 inventory information including age of construction, gross square footages, and facility type.

To begin, the LFD used the 2008 facility survey as a baseline and identified new facilities or additions with information on school facilities provided by the Montana Schools Property and Liability Insurance Plan and the Montana Schools Group Insurance Authority. In addition, the listing of school districts was compared with the Office of Public Instruction's list of current school districts.

The second step of this process, verification of this update with school districts, has been completed. A link to the 2026 inventory of each school district's facilities was shared with school superintendents and district clerks, along with a request that they review the information and update or correct it as necessary. As of July 16, 2026, 201 school districts of 417 districts or 48.2% have reviewed and updated their information on school facilities. The review confirmed information on 71.3% of the square footage of current school facilities.

Based on the results of the 2026 school facility survey school districts own a total of 3,085 buildings with total square footage of 39,427,574, an increase of 7,983,027 square feet over the period. The additional buildings and square footage are made up of a combination of buildings that were not included in the 2008 facility survey but were built prior to 2008, renovations that increased square footage for buildings included in the 2008

facility survey, and new buildings built since 2008. The following chart shows the square footage by type of school facility included in the 2026 school facility survey.

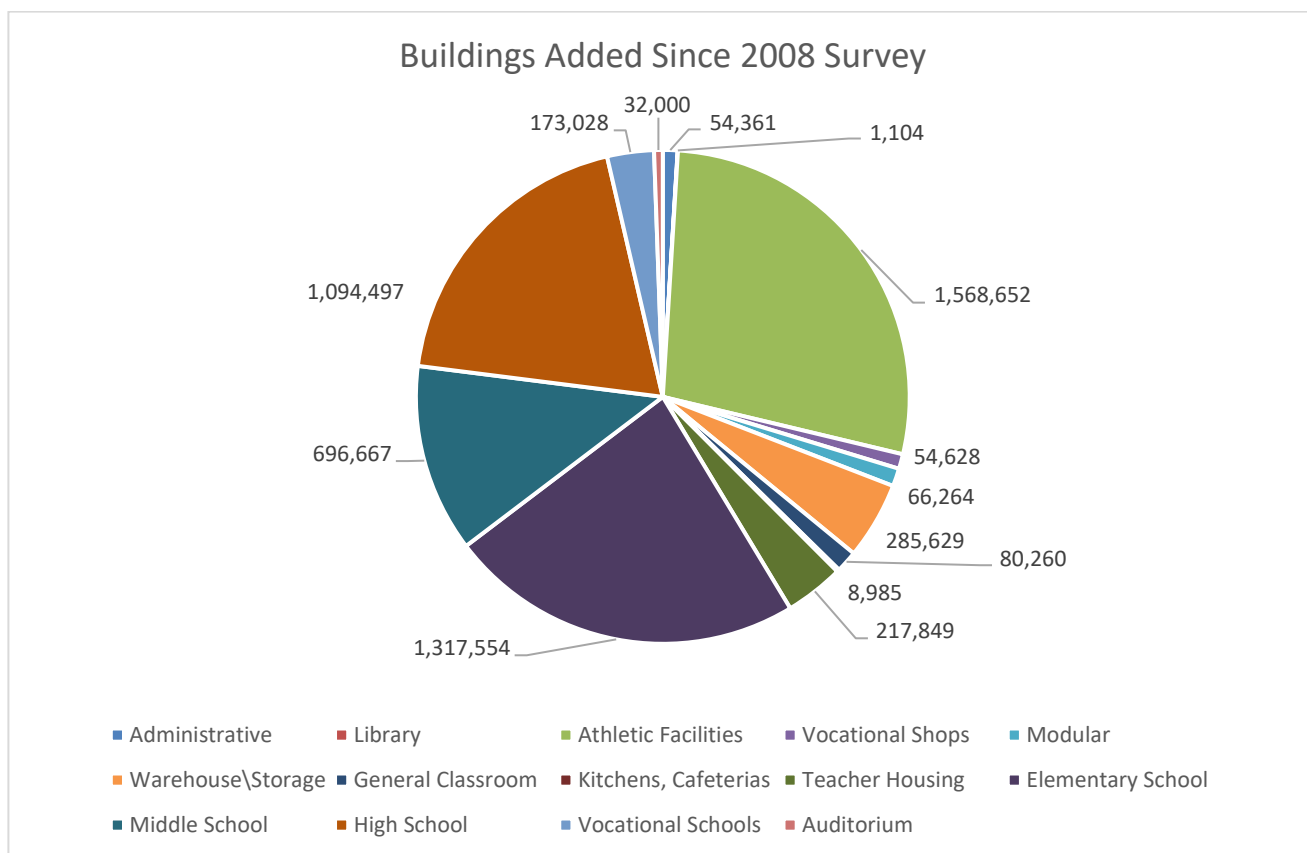


Montana has 37 school districts that have a single school building for kindergarten through 12th grade. For purposes of this report, the square footage of these buildings was allocated either by the school district or equally distributed between the elementary and the high school districts.

As of July 16, 2026, there were 5 elementary school districts that have a school facility but did not respond to a request for information and did not provide square footage for the buildings. None of the 5 elementary districts were included in the original 2008 school facility survey. To ensure the calculations in this report yielded reasonable results, the LFD allocated 600 square feet per 25 children enrolled in the schools as the square footage of the 5 elementary school buildings.

As shown in the chart, 33.8% of the total square footage is used for elementary schools, 30.7% is used for high schools, and 16.0% is used for middle schools. The remaining 19.5% of school facilities are used for athletic facilities, administration, vocational schools and shops, and stand-alone buildings such as cafeterias, auditoriums, or modular classrooms.

The updated 2026 school facility listings include an additional 580 new buildings built since 2008. The following chart shows the types of school facility buildings added by various school districts. Total square footage for each type of building facility is also shown.



As shown, athletic facilities including gyms, stadiums, and grandstands added the largest amount of square footage, at 1.6 million square feet, since 2008. This is followed by elementary schools with an additional 1.3 million square feet, high schools with an additional 1.1 million in square feet added, and middle schools with an additional 0.7 million in square feet.

The 2026 survey identified 181 school facilities that are inactive, not currently used by the school district but still the property of the district. Because these buildings are the continued responsibility of the school districts and may be used for educational purposes in the future, the square footage of these buildings was included in the overall square footage of school facilities in Montana.

The 2026 survey also identified 65 school facilities that are no longer the property of the school districts, due to fire, earthquake, hail, sales, etc. The square footage for these buildings was not included in the total square footage.

Major Maintenance Funding

Major maintenance funding was established in SB 307, enacted by the 2017 Legislature. Under this legislation, each school district was given the authority to raise up to \$15,000 plus \$110 per average number belonging (ANB). ANB is the average number of school children attending school during the school year. The amount each district can raise, from a combination of state and local sources, was increased by the 2025 Legislature in HB 515 to \$40,000 plus \$115 per ANB. The funding formula for major maintenance provides more state aid to districts with a lower taxable value but also provides a state subsidy per-dollar of local effort for all school districts that choose to participate in major maintenance funding. The local effort and state subsidy are calculated to allow the school district to raise a fixed amount of revenue for major maintenance based on district size.

One of the purposes of this memorandum is to evaluate the changes to major maintenance funding enacted by the 2025 Legislature. As part of the calculation the LFD used the current replacement value (CRV) of the school facilities. The first replacement value used in the evaluation is the 21st Century Schools Public Education Infrastructure Profile 2025 for Montana of \$368 per square foot in FY 2024. Since FY 2024 inflation has impacted school facility building costs. In conversations with various school district administrators, it became apparent that the current construction costs of new school buildings in Montana may be higher than the \$368 a square foot established by 21st Century Schools in FY 2024.

Montana does not have a database collating the square footage costs of new school building construction by fiscal year. However, the Helena Elementary and High School districts are currently renovating or constructing new school facilities. Estimated construction costs for the multiple projects approved construction in the recent Helena School District bond election coalesce around a CRV of \$550/sf.

The CRV of \$368 and \$550 per square foot is for school buildings such as elementary, middle, or high schools as well as facilities used for vocational shops or schools, cafeterias, or auditoriums. In other words, those buildings that are used directly for working with the educational needs of the students. School facilities such as athletic facilities, warehouse or storage facilities or teacher housing may have CRV that vary significantly from that used for school buildings. For this evaluation, athletic facilities, warehouse and storage facilities and teacher housing were excluded from the current replacement value of the school district.

Each district's FY 2026 permissive budget size for state major maintenance aid – the sum of local effort and state subsidy as calculated by the major maintenance aid funding formula – was calculated as a ratio to 2% of the district's CRV, at \$368/sf and \$550/sf, to assess the level of funding available to a district for major facility maintenance or repair projects. The ratios of the district permissive budget size to 2% CRV range from approximately 3% to 410% at a CRV of \$368/sf and range from approximately 2% to 275% at a CRV of \$550/sf. Preliminary analysis of the state major maintenance aid funding formula demonstrates a relationship between district size – both in total building square footage and ANB – and the ratio of permissive budget size to the calculated 2% current replacement value of districts' buildings. Districts whose FY 2026 permissive budget size for state major maintenance aid meets 100% or more of 2% CRV at \$368/sf have approximately 3,400 total building square footage and 26 ANB on average; districts whose FY 2026 permissive budget size for state major maintenance aid meets less than 10% of 2% CRV at \$368/sf have approximately 31,000 total building square footage and 1,060 ANB on average.

The LFD is available to provide further analysis as requested by SFIC commissioners and legislators as the commission considers state major maintenance aid and the K-12 school funding formula.

District Square Footage vs. Ratio of Permissive Budget Size to 2% CRV
(\$368/sf)

