AN ACT IMPLEMENTING THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009; PROVIDING APPROPRIATIONS OF FEDERAL FUNDS AND OTHER FUNDS AVAILABLE BECAUSE OF THE RECEIPT OF FEDERAL FUNDS; REVISING STATUTES TO IMPLEMENT THE RECEIPT AND EXPENDITURE OF THE FEDERAL FUNDS AND THE FUNDS AVAILABLE BECAUSE OF THE RECEIPT OF THE FEDERAL FUNDS; AUTHORIZING THE ADOPTION OF RETROACTIVE ADMINISTRATIVE RULES; REVISING THE ALLOCATION OF THE HOSPITAL BED TAX; REVISING INDIRECT COST RECOVERY LAWS; REVISING THE DEFINITIONS OF BASE BUDGET AND PRESENT LAW BASE FOR THE NEXT STATE BUDGET CYCLE; CLARIFYING THE PAYMENT OF SCHOOL DISTRICT EMPLOYEE RETIREMENT COSTS FOR THE ENSUING BIENNIUM; REVISING THE BASE PERIOD FOR UNEMPLOYMENT BENEFITS; PROVIDING FOR A PART-TIME WORK SEARCH AND PARTICIPATION IN WORKER TRAINING FOR UNEMPLOYMENT PURPOSES; REVISING THE USE OF THE HEALTH AND MEDICAID INITIATIVES ACCOUNT; INCREASING THE ELIGIBILITY FOR CASH ASSISTANCE BENEFITS FROM THE TANF BLOCK GRANT; CLARIFYING WATER POLLUTION LAWS AND THE USE OF FEDERAL FUNDS FOR WATER PROJECTS; REVISING THE ALTERNATIVE ENERGY LOAN PROGRAM; ESTABLISHING THE DISTRESSED WOOD PRODUCTS INDUSTRY RECOVERY PROGRAM; PROVIDING FOR A QUICK START ENERGY PROGRAM WITHIN THE DEPARTMENT OF COMMERCE FOR QUICK START ENERGY EFFICIENCY IMPROVEMENTS FOR SCHOOL FACILITIES; REVISING THE PRIORITIES FOR FUNDING UNDER THE BIG SKY ECONOMIC DEVELOPMENT PROGRAM; PROVIDING FOR THE ALLOCATION AND AUTHORIZATION OF THE TYPES OF BONDS MADE AVAILABLE UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009; AUTHORIZING THE MONTANA FACILITY FINANCE AUTHORITY TO FINANCE CERTAIN PROJECTS FOR FOR-PROFIT OR NONPROFIT CORPORATIONS AND ORGANIZATIONS; PROVIDING FOR TAXATION OF THOSE PROJECTS; PROVIDING FOR THE DISTRIBUTION OF FUNDS FOR IMPROVEMENTS FOR SCHOOL FACILITIES; AUTHORIZING A PERMISSIVE SCHOOL LEVY FOR THE BASE BUDGET; AUTHORIZING A SCHOOL DISTRICT LEVY FOR THE OVER-BASE BUDGET; ESTABLISHING THE ENERGY DEVELOPMENT AND DEMONSTRATION GRANT PROGRAM; PROVIDING A FUND TRANSFER FROM THE STATE GENERAL FUND TO THE SENIOR CITIZEN AND PERSONS WITH DISABILITIES TRANSPORTATION SERVICES ACCOUNT; EXTENDING THE HOSPITAL BED TAX; AMENDING SECTIONS 2-4-306, 7-7-2255, 7-7-2501, 7-7-4255, 7-7-4421, 7-7-4501, 7-12-2171, 7-15-4290, 7-15-4301, 7-15-4302, 15-66-102, 17-1-106, 17-2-124, 17-5-504, 17-5-803, 17-5-922, 17-5-1506, 17-7-102, 17-7-402, 17-7-502, 20-9-403, 20-9-433, 20-9-501, 20-25-402, 20-25-427, 39-51-201, 52-3-115, 53-4-212, 53-6-149, 53-6-1201, 75-5-1102, 75-5-1107, 75-6-202, 75-6-226, 75-25-101, 75-25-102, 90-1-204, 90-5-101, 90-5-103, 90-7-102, AND 90-7-104, MCA, SECTION 20, CHAPTER 390, LAWS OF 2003, SECTIONS 4 AND 7, CHAPTER 606, LAWS OF 2005, SECTIONS 4, 5, 6, AND 8, CHAPTER 517, LAWS OF 2007, AND SECTION 9-B, CHAPTER 5, SPECIAL LAWS OF MAY

2007; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, A RETROACTIVE APPLICABILITY DATE, AND A TERMINATION DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-4-306, MCA, is amended to read:

"2-4-306. Filing, format, and adoption and effective dates -- dissemination of emergency rules. (1) Each agency shall file with the secretary of state a copy of each rule adopted by it or a reference to the rule as contained in the proposal notice. A rule is adopted on the date that the adoption notice is filed with the secretary of state and is effective on the date referred to in subsection (4), except that if the secretary of state requests corrections to the adoption notice, the rule is adopted on the date that the revised notice is filed with the secretary of state.

(2) Pursuant to 2-15-401, the secretary of state may prescribe rules to effectively administer this chapter, including rules regarding the format, style, and arrangement for notices and rules that are filed pursuant to this chapter, and may refuse to accept the filing of any notice or rule that is not in compliance with this chapter. The secretary of state shall keep and maintain a permanent register of all notices and rules filed, including superseded and repealed rules, that must be open to public inspection and shall provide copies of any notice or rule upon request of any person. Unless otherwise provided by statute, the secretary of state may require the payment of the cost of providing copies.

(3) If the appropriate administrative rule review committee has conducted a poll of the legislature in accordance with 2-4-403, the results of the poll must be published with the rule if the rule is adopted by the agency.

(4) ~~Each~~ Subject to subsection (6), each rule is effective after publication in the register, as provided in 2-4-312, except that:

(a) if a later date is required by statute or specified in the rule, the later date is the effective date;

(b) subject to applicable constitutional or statutory provisions:

(i) a temporary rule is effective immediately upon filing with the secretary of state or at a stated date following publication in the register; and

(ii) an emergency rule is effective at a stated date following publication in the register or immediately upon filing with the secretary of state if the agency finds that this effective date is necessary because of imminent peril to the public health, safety, or welfare. The agency's finding and a brief statement of reasons for the finding must be filed with the rule. The agency shall, in addition to the required publication in the register, take appropriate and extraordinary measures to make emergency rules known to each person who may be affected by them.

(c) if, following written administrative rule review committee notification to an agency under 2-4-305(9), the committee meets and under 2-4-406(1) objects to all or some portion of a proposed rule before the proposed rule is adopted, the proposed rule or portion of the proposed rule objected to is not effective until the day after final adjournment of the regular session of the legislature that begins after the notice proposing the rule was published by the secretary of state, unless, following the committee's objection under 2-4-406(1):

(i) the committee withdraws its objection under 2-4-406 before the proposed rule is adopted; or

(ii) the rule or portion of a rule objected to is adopted with changes that in the opinion of a majority of the committee members, as communicated in writing to the committee presiding officer and staff, make it comply with the committee's objection and concerns.

(5) ~~An~~ Subject to subsection (6), an agency may not enforce, implement, or otherwise treat as effective a rule proposed or adopted by the agency until the effective date of the rule as provided in this section. Nothing in this subsection prohibits an agency from enforcing an established policy or practice of the agency that existed prior to the proposal or adoption of the rule as long as the policy or practice is within the scope of the agency's lawful authority.

(6) For purposes of implementing and complying with the American Recovery and Reinvestment Act of 2009, Public Law 111-5, an agency may adopt and implement a rule retroactive to February 17, 2009, provided that the retroactive applicability date is clearly stated in the agency's proposed and adopted rule."

Section 2. Section 7-7-2255, MCA, is amended to read:

"**7-7-2255. Form and execution of bonds.** (1) At the time of the sale of the bonds or at a meeting held after the sale, the board of county commissioners shall adopt a resolution providing for the issuance of the bonds, prescribing the form of the bonds, whether amortization bonds or serial bonds, ~~and~~ providing the manner of execution of the bonds, and if applicable, specifying whether the bonds are tax credit bonds as provided in [section 44], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 45], or qualified energy conservation bonds as provided in [section 46].

(2) Each county bond and each coupon attached to the bond must be signed by or bear the facsimile signatures of the presiding officer of the board of county commissioners and the county treasurer and must be attested by the county clerk, provided that one signature of a county official or the bond registrar must be a manual signature. Each bond may have the county seal or its facsimile imprinted on the bond."

Section 3. Section 7-7-2501, MCA, is amended to read:

"**7-7-2501. Authority to issue revenue bonds -- refunding revenue bonds.** (1) A county may issue county revenue bonds in the same manner and with the same effect as provided in chapter 7, part 44, of this title for issuance of municipal revenue bonds. County revenue bonds may be issued to finance any project or activity enumerated in chapter 16, part 21, of this title or in Title 75, chapter 10, part 1. Revenue from the project for which the bonds are issued is the only revenue upon which a lien under the provisions of 7-7-4431 may apply. A lien may not attach to other revenue or other property within the county.

(2) A county may refund revenue bonds issued under the authority provided in subsection (1) by the method provided in either part 45 or part 46 of chapter 7.

(3) In construing, for purposes of this section, the provisions of parts 44, 45, or 46 of chapter 7, "municipal" is considered to refer to the county and "governing body" is considered to refer to the board of county commissioners whenever the board of county commissioners is acting pursuant to subsection (1).

(4) If applicable, the county shall specify whether the bonds are tax credit bonds as provided in [section 44], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 45], or qualified energy conservation bonds as provided in [section 46]."

Section 4. Section 7-7-4255, MCA, is amended to read:

"7-7-4255. Form and execution of bonds. (1) At the time of the sale of the bonds or at a meeting held after the sale, the city or town council shall adopt a resolution providing for the issuance of the bonds, prescribing the form of the bonds, whether amortization or serial bonds, ~~and~~ providing the manner of execution of the bonds, and if applicable, specifying whether the bonds are tax credit bonds as provided in [section 44], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 45], or qualified energy conservation bonds as provided in [section 46].

(2) Each bond and each coupon attached to a bond must be signed by or bear the facsimile signatures of the mayor and the treasurer of the city or town and must be attested by the city or town clerk, provided that one signature of a city or town official or the bond registrar must be a manual signature. Each bond may have the city or town seal or its facsimile imprinted on the bond."

Section 5. Section 7-7-4421, MCA, is amended to read:

"7-7-4421. Authority to issue revenue bonds. (1) In addition to the powers ~~which~~ that it may now have, any municipality ~~shall have~~ has power under this part to:

~~(1)~~(a) issue its bonds to finance in whole or in part the cost of the acquisition, purchase, construction, reconstruction, improvement, betterment, or extension of any undertaking;

~~(2)~~(b) pledge to the punctual payment of ~~said~~ the bonds issued under ~~this part or~~ part 45 or this part and interest ~~thereon~~ on the bonds an amount of the ~~revenues~~ revenue of ~~such~~ the undertaking, ~~(~~including improvements, betterments, or extensions ~~thereto~~ thereafter constructed or acquired~~)~~, or of any part of ~~such~~ the undertaking sufficient to pay ~~said~~ the bonds and interest as ~~the same shall become~~ they become due, with ~~such~~ an amount consisting of all or any part or portion of ~~such~~ the revenue, and create and maintain reasonable reserves ~~therefor~~ for the bonds.

(2) If applicable, the municipality shall specify whether the bonds are tax credit bonds as provided in [section 44], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 45], or qualified energy conservation bonds as provided in [section 46]."

Section 6. Section 7-7-4501, MCA, is amended to read:

"7-7-4501. Authority to issue refunding revenue bonds. (1) In addition to the powers ~~which~~ that it ~~now~~ may have, any municipality ~~shall have~~ has the power under this part to refund bonds issued for any of the purposes listed in 7-7-4421(1)(a), whether issued under authority of part 45 or of any other applicable law.

(2) Refunding revenue bonds issued as authorized in this section ~~shall be~~ are governed by all of the provisions of part 44, except 7-7-4433 and 7-7-4434, as fully as bonds issued for the initial financing of any undertaking and by the further provisions of this part.

(3) Bonds may be issued to refund interest as well as principal actually due and payable if the ~~revenues~~ revenue pledged ~~therefor are~~ is not sufficient, but not to refund any bonds or interest due ~~which can~~ that may be paid from ~~revenues~~ revenue then on hand."

Section 7. Section 7-12-2171, MCA, is amended to read:

"7-12-2171. Details relating to rural improvement district bonds and warrants. (1) (a) The bonds and warrants must be drawn against either the construction or maintenance fund created for the special improvement district and must bear interest from the date of registration until called for redemption or paid in full. Bonds or warrants sold at a private, negotiated sale may bear interest at a rate varying periodically at the time or times and on the terms determined by the board of county commissioners. The terms determined by the board of county commissioners may include the establishment of a maximum rate of interest or the convertibility to a fixed rate of interest.

(b) Variable rate bonds may be sold at a private negotiated sale if the principal amount of the bonds is $500,000 or less and the board of county commissioners obtains separate written opinions from underwriters of Montana rural improvement district bonds stating the bonds are not marketable through a competitive bond sale. Bonds sold in principal amounts below $250,000 do not require a marketability opinion.

(c) The interest must be payable annually or semiannually, at the discretion of the board of county commissioners, on the dates that the board prescribes. The warrants or bonds must bear the signatures of the presiding officer of the board and the county clerk and may bear the corporate seal of the county. The warrants or bonds must be registered in the office of the county clerk and the county treasurer, and if interest coupons are attached to the warrants or bonds, the interest coupons must also be registered and must bear the signatures of the presiding officer of the board and the county clerk. The coupons may bear the facsimile signatures of the officers in the discretion of the board.

(2) The bonds must be in denominations of $100 or fractions or multiples of $100, may be issued in installments, and may extend over a period not to exceed 30 years. However, if federal loans are available for improvements, repayment may extend over a period not to exceed 40 years. For the purposes of this subsection, the term of a bond issue commences on July 1 of the fiscal year in which the county first levies to pay principal and interest on the bonds.

(3) If applicable, the board of county commissioners shall specify whether the bonds are tax credit bonds as provided in [section 44], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 45], or qualified energy conservation bonds as provided in [section 46]."

Section 8. Section 7-15-4290, MCA, is amended to read:

"7-15-4290. Use of property taxes and other revenue for payment of bonds. (1) (a) The tax increment derived from an urban renewal area may be pledged for the payment of

revenue bonds issued for urban renewal projects or of general obligation bonds, revenue bonds, or special assessment bonds issued to pay urban renewal costs described in 7-15-4288 and 7-15-4289.

(b) The tax increment derived from an industrial district may be pledged for the payment of revenue bonds issued for industrial infrastructure development projects or of general obligation bonds, revenue bonds, or special assessment bonds issued to pay industrial district costs described in 7-15-4288 and 7-15-4289.

(c) The tax increment derived from a technology district may be pledged for the payment of revenue bonds issued for technology infrastructure development projects or of general obligation bonds, revenue bonds, or special assessment bonds issued to pay technology district costs described in 7-15-4288 and 7-15-4289.

(2) A municipality issuing bonds pursuant to subsection (1) may, by resolution of its governing body, enter into a covenant for the security of the bondholders, detailing the calculation and adjustment of the tax increment and the taxable value on which it is based and, after a public hearing, pledging or appropriating other revenue of the municipality, except property taxes prohibited by subsection (3), to the payment of the bonds if collections of the tax increment are insufficient.

(3) Property taxes, except the tax increment derived from property within the area or district and tax collections used to pay for services provided to the municipality by a project, may not be applied to the payment of bonds issued pursuant to 7-15-4301 for which a tax increment has been pledged.

(4) If applicable, the municipality shall specify whether the bonds are tax credit bonds as provided in [section 44], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 45], or qualified energy conservation bonds as provided in [section 46]."

Section 9. Section 7-15-4301, MCA, is amended to read:

"7-15-4301. Authorization to issue urban renewal bonds, industrial infrastructure development bonds, aerospace transportation and technology infrastructure development bonds, technology infrastructure development bonds, and refunding bonds. (1) A municipality may:

(a) issue bonds from time to time, in its discretion, to finance the undertaking of any urban renewal project, industrial infrastructure development project, aerospace transportation and technology infrastructure development project, or technology infrastructure development project under part 42 and this part, including, without limiting the generality of projects, the payment of principal and interest upon any advances for surveys and plans for the projects; and

(b) issue refunding bonds for the payment or retirement of bonds previously issued by it.

(2) The bonds may not pledge the general credit of the municipality and must be made payable, as to both principal and interest, solely from the income, proceeds, revenue, and funds of the municipality derived from or held in connection with its undertaking and carrying out of urban renewal projects, industrial infrastructure development projects, aerospace transportation and technology infrastructure development projects, or technology infrastructure development projects under part 42 and this part, including the tax increment received and pledged by the municipality pursuant to 7-15-4282 through 7-15-4292, and, if the income, proceeds, revenue, and funds of the municipality are insufficient for the payment, from other revenue

of the municipality pledged to the payment. Payment of the bonds, both as to principal and interest, may be further secured by a pledge of any loan, grant, or contribution from the federal government or other source in aid of any urban renewal projects, industrial infrastructure development projects, aerospace transportation and technology infrastructure development projects, or technology infrastructure development projects of the municipality under part 42 and this part or by a mortgage on all or part of any projects.

(3) Bonds issued under this section must be authorized by resolution or ordinance of the local governing body.

(4) If applicable, the governing body of the municipality shall specify whether the bonds are tax credit bonds as provided in [section 44], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 45], or qualified energy conservation bonds as provided in [section 46]."

Section 10. Section 7-15-4302, MCA, is amended to read:

"7-15-4302. Authorization to issue general obligation bonds. (1) For the purpose of 7-15-4267 or for the purpose of aiding in the planning, undertaking, or carrying out of an urban renewal project or an industrial infrastructure development project of a municipality, the municipality, in addition to any authority to issue bonds pursuant to 7-15-4301, may issue and sell its general obligation bonds.

(2) Any bonds issued pursuant to this section ~~shall~~ must be issued in the manner and within the limitations prescribed by the laws of this state for the issuance and authorization of bonds by ~~such~~ the municipality for public purposes generally.

(3) Aiding in the planning, undertaking, or carrying out of an approved urban renewal project or an industrial infrastructure development project is considered a single purpose for the issuance of general obligation bonds, and the proceeds of the bonds authorized for any ~~such~~ project may be used to finance the exercise of any and all powers conferred upon the municipality by ~~this part and~~ part 42 ~~which~~ and this part that are necessary or proper to complete the project in accordance with the approved plan or industrial district ordinance and any modification ~~thereof~~ of the plan duly adopted by the local governing body.

(4) If applicable, the municipality shall specify whether the bonds are tax credit bonds as provided in [section 44], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 45], or qualified energy conservation bonds as provided in [section 46]."

Section 11. Section 15-66-102, MCA, is amended to read:

"15-66-102. (Temporary) Utilization fee for inpatient bed days. (1) Each hospital in the state shall pay to the department a utilization fee:

~~(a) in the amount of $27.70 for each inpatient bed day between January 1, 2006, and June 30, 2007;~~

~~(b) in the amount of $47 for each inpatient bed day between July 1, 2007, and December 31, 2007;~~

~~(c) in the amount of $43 for each inpatient bed day between January 1, 2008, and December 31, 2008;~~

~~(d)~~(a) in the amount of $48 for each inpatient bed day between January 1, 2009, and December 31, 2009; and

~~(e)~~(b) beginning January 1, 2010, in the amount of $50 for each inpatient bed day.

(2) ~~All~~ Subject to subsection (3), all proceeds from the collection of utilization fees, including penalties and interest, must, in accordance with the provisions of 17-2-124, be deposited to the credit of the department of public health and human services in a state special revenue account as provided in 53-6-149.

(3) The following amounts must be deposited in the state general fund:

(a) for state fiscal year 2009, proceeds in excess of $16,232,795;

(b) for state fiscal year 2010, proceeds in excess of $18,505,269; and

(c) for state fiscal year 2011, proceeds in excess of $19,818,193. (Void on occurrence of contingency--sec. 18, Ch. 390, L. 2003. Terminates June 30, 2009--secs. 5, 6, 8, Ch. 517, L. 2007.)"

Section 12. Section 17-1-106, MCA, is amended to read:

"**17-1-106. Agency recovery of indirect costs.** (1) An agency receiving nongeneral funds shall, in accordance with all applicable regulations, guidelines, or grant rules governing those funds, negotiate indirect cost reimbursement amounts and methodologies so that the agency may recover indirect costs.

(2) ~~An~~ Except for funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, an agency, except for a unit of the university system, that applies for or otherwise receives funds through federal or private grants or contracts that do not allow the agency to fully recover indirect costs shall notify and must receive written approval from its approving authority prior to accepting the funds.

(3) An agency, except for a unit of the university system, may not, as part of the grant or contract proposal or negotiation process, waive or otherwise forfeit the agency's ability to recover indirect costs that are otherwise allowable costs under the program, except for intra-agency or interagency grants or contracts. For grants or contracts for which the entity providing the funds limits administrative cost reimbursements or indirect cost recoveries by regulation, policy, or guideline, statewide and agency indirect costs paid originally from the general fund must be claimed first, other indirect costs must be claimed second, agency direct costs of administration must be claimed third, and program direct costs must be claimed last. For grants or contracts for which there is no limit on indirect costs or administrative costs, indirect and administrative costs must be claimed first and direct program costs must be claimed last.

(4) Each agency receiving federal funds and not directly charging a grant or program for the recovery of indirect costs shall submit an indirect cost proposal to the appropriate federal agency. The department shall provide technical assistance to an agency on how to build an indirect cost proposal.

(5) Except as provided for a unit of the university system under 20-25-427, indirect costs recovered by an agency to pay the agency's indirect costs under 17-1-105 must be deposited as provided in 17-1-105. All other indirect costs must be deposited in the fund from which the indirect costs were originally paid."

Section 13. Section 17-2-124, MCA, is amended to read:

"17-2-124. Disposition of money from certain designated license and other taxes. (1) The state treasurer shall deposit to the credit of the appropriate fund in accordance with the provisions of subsection (3) all money received from the collection of taxes and fees.

(2) The department of revenue shall deposit to the credit of the state general fund all money received from the collection of license taxes and all net revenue and receipts from all sources, other than certain fees, under Title 16, chapters 1 through 4 and 6.

(3) ~~The~~ Except for the utilization fee collected under 15-66-102 during fiscal year 2009, the distribution of tax and fee revenue must be made according to the provisions of the law governing allocation of the tax or fee that were in effect for the period in which the tax or fee revenue was recorded for accounting purposes. Tax revenue must be recorded as prescribed by the department of administration, pursuant to 17-1-102(2) and (4), in accordance with generally accepted accounting principles.

(4) All refunds of taxes or fees must be attributed to the funds in which the taxes or fees are currently being recorded. All refunds of interest and penalties must be attributed to the funds in which the interest and penalties are currently being recorded."

Section 14. Section 17-5-504, MCA, is amended to read:

"17-5-504. Forms, interest, and maturity. ~~Such~~ General obligation highway bonds ~~shall~~ must be issued by the board, upon request of the department of administration, in ~~such~~ the denominations and form, whether payable to bearer or registered as to principal or both principal and interest, with ~~such~~ provisions for conversion or exchange and for the issuance of notes in anticipation of the execution and delivery of definitive bonds, bearing interest, maturing at ~~such~~ times not exceeding 20 years from the date of issue, subject to redemption at ~~such~~ earlier times and prices and upon ~~such~~ notice, and payable at the office of ~~such~~ the fiscal agent of the state, ~~as~~ that the board shall determine, subject to the limitations contained ~~herein~~ in this part. If applicable, the board shall specify whether the bonds are tax credit bonds as provided in [section 44]."

Section 15. Section 17-5-803, MCA, is amended to read:

"17-5-803. Form -- principal and interest -- fiscal agent -- bond registrar and transfer agent -- deposit of proceeds. (1) Subject to the limitations contained in this part and in the bond act and in the furtherance of each bond act, bonds may be issued by the board upon request of the department. The bonds may be issued in the denominations and form, whether payable to bearer or registered as to principal or both principal and interest, with provisions for conversion or exchange, and for the issuance of temporary bonds bearing interest at a rate or rates, maturing at times not exceeding 30 years from date of issue, subject to redemption at earlier times and prices and on notice, and payable at the office of the fiscal agency of the state as the board determines.

(2) In all other respects, the board is authorized to prescribe the form and terms of the bonds and do whatever is lawful and necessary for their issuance and payment. Action taken by the board under this part must be by a majority vote of its members. The state treasurer shall keep a record of all bonds issued and sold.

(3) The board is authorized to employ a fiscal agent and a bond registrar and transfer agent to assist in the performance of its duties under this part.

(4) The board, in its discretion, is authorized to pay all costs of issuance of bonds, including without limitation rating agency fees, printing costs, legal fees, bank or trust company fees, costs to employ persons or firms to assist in the sale of the bonds, line of credit fees and charges, and all other amounts related to the costs of issuing the bonds from amounts available for these purposes in the general fund or from the proceeds of the bonds.

(5) All proceeds of bonds and notes issued under this part must be deposited in the capital projects account, except that any premiums and accrued interest received and the proceeds of refunding bonds or notes must be deposited in the debt service account.

(6) If applicable, the board shall specify whether the bonds are tax credit bonds as provided in [section 44]."

Section 16. Section 17-5-922, MCA, is amended to read:

"17-5-922. Form -- principal and interest -- fiscal agent -- bonds authorized. (1) Each series of bonds may be issued by the board at public or private sale, in ~~such~~ the denominations and form, whether payable to bearer or registered as to principal or both principal and interest, with ~~such~~ provisions for the conversion or exchange, bearing interest at ~~such~~ the rate or rates or the method of determining ~~such~~ the rate or rates, maturing at ~~such~~ times, not more than 40 years from date of issue, subject to redemption at ~~such~~ earlier times and prices and upon ~~such~~ notice, and payable at the office of a fiscal agency of the state ~~as~~ that the board shall determine, subject to the limitations contained in this part. Any action taken by the board under this part must be approved by at least a majority vote of its members.

(2) In all other respects the board is authorized to prescribe the form and terms of the bonds and shall do whatever is lawful and necessary for their issuance and payment.

(3) Bonds and any interest coupons appurtenant ~~thereto~~ to the bonds must be signed by the members of the board, and the bonds must be issued under the great seal of the state of Montana. The bonds and coupons may be executed with facsimile signatures and seal in the manner and subject to the limitations prescribed by law. The state treasurer shall keep a record of all ~~such~~ bonds issued and sold.

(4) The board may employ a fiscal agent and a bond registrar and transfer agent to assist in the performance of its duties under this part.

(5) In connection with the issuance and sale of bonds, the board may arrange for lines of credit or letters of credit with any bank, firm, or person for the purpose of providing an additional source of repayment for bonds issued pursuant to this part. Amounts drawn on ~~such~~ lines of credit may be evidenced by negotiable or nonnegotiable notes or other evidences of indebtedness, containing ~~such~~ terms and conditions ~~as~~ that the board may authorize in the resolution approving the ~~same~~ notes or evidences of indebtedness.

(6) ~~No~~ Not more than $150 million of bonds issued under this part may be outstanding at any time. ~~No additional~~ Additional bonds, other than refunding bonds, may not be issued

until the pledge in favor of the highway revenue bonds is satisfied and discharged.

(7) If applicable, the board shall specify whether the bonds are tax credit bonds as provided in [section 44]."

Section 17. Section 17-5-1506, MCA, is amended to read:

"17-5-1506. Bonds and notes for projects and major projects. (1) The board may by resolution issue negotiable notes and bonds in a principal amount ~~as~~ that the board determines necessary to provide sufficient funds for achieving any of its purposes, including the payment of interest on notes and bonds of the board, establishment of reserves to secure the notes and bonds, including the reserve funds created under 17-5-1515, and all other expenditures of the board incident to and necessary or convenient to carry out this part.

(2) The board may by resolution, from time to time, issue notes to renew notes and bonds or to pay notes, including interest, and whenever it considers refunding expedient, refund any bonds by the issuance of new bonds, whether or not the bonds to be refunded have matured, or issue bonds partly to refund bonds outstanding and partly for any of its other purposes.

(3) Except as otherwise expressly provided by resolution of the board, every issue of its bonds is an obligation of the board payable out of any revenue, assets, or money of the board, subject only to agreements with the holders of particular notes or bonds pledging particular ~~revenues~~ revenue, assets, or money.

(4) The notes and bonds must be authorized by resolutions of the board, bear a date, and mature at the times the resolutions provide. A note may not mature more than 5 years from the date of its issue. A bond may not mature more than 40 years from the date of its issue. The bonds may be issued as serial bonds payable in annual installments, as term bonds, or as a combination ~~thereof~~ of serial and term bonds. The notes and bonds must bear interest at a stated rate or rates or at a rate or rate determination as stated, be in denominations, be in a form, either coupon or registered, carry registration privileges, be executed in a manner, be payable in a medium of payment, at places inside or outside the state, and be subject to terms of redemption as provided in resolutions. The notes and bonds of the board may be sold at public or private sale, at prices above or below par, as determined by the board, and in a manner ~~such~~ that interest on the bonds is either exempt from or subject to federal income tax. If applicable, the board shall specify whether the bonds are tax credit bonds as provided in [section 44].

(5) The bonds issued under this part are exempt from the Montana Securities Act, but copies of all prospectus and disclosure documents must be deposited with the state securities commissioner for public inspection.

(6) The total amount of bonds secured under 17-5-1515 outstanding at any one time, except bonds as to which the board's obligations have been satisfied and discharged by refunding or bonds for which reserves for payment or other means of payment have been provided, may not exceed $100 million."

Section 18. Section 17-7-102, MCA, is amended to read:

"17-7-102. (Temporary) Definitions. As used in this chapter, the following definitions apply:

(1) "Additional services" means different services or more of the same services.

(2) "Agency" means all offices, departments, boards, commissions, institutions, universities, colleges, and any other person or any other administrative unit of state government that spends or encumbers public money by virtue of an appropriation from the legislature under 17-8-101.

(3) "Approving authority" means:

(a) the governor or the governor's designated representative for executive branch agencies;

(b) the chief justice of the supreme court or the chief justice's designated representative for judicial branch agencies;

(c) the speaker for the house of representatives;

(d) the president for the senate;

(e) appropriate legislative committees or a designated representative for legislative branch agencies; or

(f) the board of regents of higher education or its designated representative for the university system.

(4) (a) "Base budget" means the resources for the operation of state government that are of an ongoing and nonextraordinary nature in the current biennium. The base budget for the state general fund and state special revenue funds may not exceed that level of funding authorized by the previous legislature. For the biennium beginning July 1, 2011, the term includes items specified in [section 85].

(b) The term does not include funding for water adjudication if the accountability benchmarks contained in 85-2-271 are not met.

(5) "Budget amendment" means a temporary appropriation as provided in Title 17, chapter 7, part 4.

(6) "Emergency" means a catastrophe, disaster, calamity, or other serious unforeseen and unanticipated circumstance that has occurred subsequent to the time that an agency's appropriation was made, that was clearly not within the contemplation of the legislature and the governor, and that affects one or more functions of a state agency and the agency's expenditure requirements for the performance of the function or functions.

(7) "Funds subject to appropriation" means those funds required to be paid out of the treasury as set forth in 17-8-101.

(8) "Necessary" means essential to the public welfare and of a nature that cannot wait until the next legislative session for legislative consideration.

(9) "New proposals" means requests to provide new nonmandated services, to change program services, to eliminate existing services, or to change sources of funding. For purposes of establishing the present law base, the distinction between new proposals and the adjustments to the base budget to develop the present law base is to be determined by the existence of constitutional or statutory requirements for the proposed expenditure. Any proposed increase or decrease that is not based on those requirements is considered a new proposal.

(10) "Present law base" means that level of funding needed under present law to maintain operations and services at the level authorized by the previous legislature, including but not limited to:

(a) changes resulting from legally mandated workload, caseload, or enrollment increases or decreases;

(b) changes in funding requirements resulting from constitutional or statutory schedules or formulas;

(c) inflationary or deflationary adjustments; ~~and~~

(d) elimination of nonrecurring appropriations; and

(e) items specified in [section 85].

(11) "Program" means a principal organizational or budgetary unit within an agency.

(12) "Requesting agency" means the agency of state government that has requested a specific budget amendment.

(13) "University system unit" means the board of regents of higher education; office of the commissioner of higher education; university of Montana, with campuses at Missoula, Butte, Dillon, and Helena; Montana state university, with campuses at Bozeman, Billings, Havre, and Great Falls; the agricultural experiment station, with central offices at Bozeman; the forest and conservation experiment station, with central offices at Missoula; the cooperative extension service, with central offices at Bozeman; the bureau of mines and geology, with central offices at Butte; the fire services training school at Great Falls; and the community colleges at Miles City, Glendive, and Kalispell. (Terminates June 30, 2020--sec. 11, Ch. 319, L. 2007.)

17-7-102. (Effective July 1, 2020) Definitions. As used in this chapter, the following definitions apply:

(1) "Additional services" means different services or more of the same services.

(2) "Agency" means all offices, departments, boards, commissions, institutions, universities, colleges, and any other person or any other administrative unit of state government that spends or encumbers public money by virtue of an appropriation from the legislature under 17-8-101.

(3) "Approving authority" means:

(a) the governor or the governor's designated representative for executive branch agencies;

(b) the chief justice of the supreme court or the chief justice's designated representative for judicial branch agencies;

(c) the speaker for the house of representatives;

(d) the president for the senate;

(e) appropriate legislative committees or a designated representative for legislative branch agencies; or

(f) the board of regents of higher education or its designated representative for the university system.

(4) "Base budget" means the resources for the operation of state government that are of an ongoing and nonextraordinary nature in the current biennium. The base budget for the state general fund and state special revenue funds may not exceed that level of funding authorized by the previous legislature.

(5) "Budget amendment" means a temporary appropriation as provided in Title 17, chapter 7, part 4.

(6) "Emergency" means a catastrophe, disaster, calamity, or other serious unforeseen and unanticipated circumstance that has occurred subsequent to the time that an agency's

appropriation was made, that was clearly not within the contemplation of the legislature and the governor, and that affects one or more functions of a state agency and the agency's expenditure requirements for the performance of the function or functions.

(7) "Funds subject to appropriation" means those funds required to be paid out of the treasury as set forth in 17-8-101.

(8) "Necessary" means essential to the public welfare and of a nature that cannot wait until the next legislative session for legislative consideration.

(9) "New proposals" means requests to provide new nonmandated services, to change program services, to eliminate existing services, or to change sources of funding. For purposes of establishing the present law base, the distinction between new proposals and the adjustments to the base budget to develop the present law base is to be determined by the existence of constitutional or statutory requirements for the proposed expenditure. Any proposed increase or decrease that is not based on those requirements is considered a new proposal.

(10) "Present law base" means that level of funding needed under present law to maintain operations and services at the level authorized by the previous legislature, including but not limited to:

(a) changes resulting from legally mandated workload, caseload, or enrollment increases or decreases;

(b) changes in funding requirements resulting from constitutional or statutory schedules or formulas;

(c) inflationary or deflationary adjustments; and

(d) elimination of nonrecurring appropriations.

(11) "Program" means a principal organizational or budgetary unit within an agency.

(12) "Requesting agency" means the agency of state government that has requested a specific budget amendment.

(13) "University system unit" means the board of regents of higher education; office of the commissioner of higher education; university of Montana, with campuses at Missoula, Butte, Dillon, and Helena; Montana state university, with campuses at Bozeman, Billings, Havre, and Great Falls; the agricultural experiment station, with central offices at Bozeman; the forest and conservation experiment station, with central offices at Missoula; the cooperative extension service, with central offices at Bozeman; the bureau of mines and geology, with central offices at Butte; the fire services training school at Great Falls; and the community colleges at Miles City, Glendive, and Kalispell."

Section 19. Section 17-7-402, MCA, is amended to read:

"17-7-402. Budget amendment requirements. (1) Except as provided in subsection (7), a budget amendment may not be approved:

(a) by the approving authority, except a budget amendment to spend:

(i) additional federal revenue, <u>including grant funds or other funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5</u>;

(ii) additional tuition collected by the Montana university system;

(iii) additional revenue deposited in the internal service funds within the department or the office of the commissioner of higher education as a result of increased service demands by state agencies;

(iv) Montana historical society enterprise revenue resulting from sales to the public;

(v) additional revenue that is deposited in funds other than the general fund and that is from the sale of fuel for those agencies participating in the Montana public vehicle fueling program established by Executive Order 22-91;

(vi) revenue resulting from the sale of goods produced or manufactured by the industries program of an institution within the department of corrections;

(vii) revenue collected for the administration of the state grain laboratory under the provisions of Title 80, chapter 4, part 7;

(viii) revenue collected for the Water Pollution Control State Revolving Fund Act under the provisions of Title 75, chapter 5, part 11;

(ix) revenue collected for the Drinking Water State Revolving Fund Act under the provisions of Title 75, chapter 6, part 2;

(x) state special revenue adjustments required to allocate costs for leave or terminal leave within an agency in accordance with federal circular A-87; or

(xi) revenue generated from fees collected by the department of justice for dissemination of criminal history record information pursuant to Title 44, chapter 5, part 3;

(b) by the approving authority if the budget amendment contains any significant ascertainable commitment for any present or future increased general fund support;

(c) by the approving authority for the expenditure of money in the state special revenue fund unless:

(i) an emergency justifies the expenditure;

(ii) the expenditure is authorized under subsection (1)(a); or

(iii) the expenditure is exempt under subsection (5);

(d) by the approving authority unless it will provide additional services;

(e) by the approving authority for any matter, <u>other than the receipt of federal funds pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, that are not allocated or appropriated in House Bill No. 645,</u> of which the requesting agency had knowledge at a time when the proposal could have been presented to an appropriation subcommittee, the house appropriations committee, or the senate finance and claims committee of the most recent legislative session open to that matter, except when the legislative finance committee is given specific notice by the approving authority that significant identifiable events, specific to Montana and pursuant to provisions or requirements of Montana state law, have occurred since the matter was raised with or presented for consideration by the legislature; or

(f) to extend beyond June 30 of the last year of any biennium, except that budget amendments for federal funds may extend to the end of the federal fiscal year.

(2) A general fund loan made pursuant to 17-2-107 does not constitute a significant ascertainable commitment of present general fund support.

(3) Subject to subsection (1)(f), all budget amendments must itemize planned expenditures by fiscal year.

(4) Each budget amendment must be submitted by the approving authority to the budget director and the legislative fiscal analyst.

(5) Money from nonstate or nonfederal sources that would be deposited in the state special revenue fund and that is restricted by law or by the terms of a written agreement, such as a contract, trust agreement, or donation, is exempt from the requirements of this part.

(6) An appropriation for a nonrecurring item that would usually be the subject of a budget amendment must be submitted to the legislature for approval during a legislative session between January 1 and the senate hearing on the budget amendment bill. The bill may include authority to spend money in the current fiscal year and in both fiscal years of the next biennium.

(7) A budget amendment to spend state funds, other than from the general fund, required for matching funds in order to receive a grant is exempt from the provisions of subsection (1)."

Section 20. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-407; 5-13-403; 7-4-2502; 10-1-1202; 10-1-1303; 10-2-603; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-121; 15-1-218; 15-23-706; 15-31-906; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101; 15-70-369; 15-70-601; 16-11-509; 17-3-106; [section 53]; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-304; 18-11-112; 19-3-319; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-4-105; 23-4-202; 23-4-204; 23-4-302; 23-4-304; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-1-504; 44-12-206; 44-13-102; 50-4-623; 53-1-109; 53-6-703; 53-24-108; 53-24-206; 60-11-115; 61-3-415; 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 76-13-150; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-5-510; 80-11-518; 82-11-161; 87-1-513; 90-1-115; 90-1-205; 90-3-1003; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates July 1, 2014; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, and secs. 3 and 6, Ch.

481, L. 2003, the inclusion of 15-35-108 terminates June 30, 2010; pursuant to sec. 17, Ch. 593, L. 2005, the inclusion of 15-31-906 terminates January 1, 2010; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410 terminates upon the death of the last recipient eligible under 19-6-709(2) for the supplemental benefit provided by 19-6-709; and pursuant to sec. 6, Ch. 2, Sp. L. September 2007, the inclusion of 76-13-150 terminates June 30, 2009.)"

Section 21. Section 20-9-403, MCA, is amended to read:

"20-9-403. Bond issues for certain purposes. (1) The trustees of a school district may issue and negotiate general obligation bonds or impact aid bonds of the school district for the purpose of:

(a) building, altering, repairing, buying, furnishing, equipping, purchasing lands for, or obtaining a water supply for a school, teacherage, dormitory, gymnasium, other building, or combination of buildings for school purposes;

(b) buying a school bus or buses;

(c) providing the necessary money to redeem matured bonds, maturing bonds, or coupons appurtenant to bonds when there is not sufficient money to redeem them;

(d) providing the necessary money to redeem optional or redeemable bonds when it is for the best interest of the school district to issue refunding bonds;

(e) funding a judgment against the district, including the repayment of tax protests lost by the district; or

(f) funding a debt service reserve account that may be required for impact aid revenue bonds.

(2) Money realized from the sale of bonds issued on the credit of a high school district may not be used for any of the purposes listed in subsection (1) in an elementary school district, and the money may be used for any of the purposes listed in subsection (1) for a junior high school but only to the extent that the 9th grade of the high school is served.

(3) If applicable, the trustees shall specify whether the bonds are qualified school construction bonds as described in [section 43(1)] or tax credit bonds as provided in [section 44]."

Section 22. Section 20-9-433, MCA, is amended to read:

"20-9-433. Form and execution of school district bonds. (1) At the time of the sale of the bonds or at a meeting held after the sale, the trustees shall adopt a resolution or indenture of trust providing for the issuance of the bonds, prescribing the form of the bonds, whether amortization or serial bonds, and prescribing the manner of execution of the bonds. If applicable, the trustees shall specify whether the bonds are qualified school construction bonds as described in [section 43(1)] or tax credit bonds as provided in [section 44].

(2) Each bond and coupon attached to a bond must be signed by or bear the facsimile signatures of the presiding officer of the trustees and the school district clerk, provided that one signature of a school official or the bond registrar must be a manual signature."

Section 23. Section 20-9-501, MCA, is amended to read:

"20-9-501. Retirement costs and retirement fund. (1) The trustees of a district or the management board of a cooperative employing personnel who are members of the teachers' retirement system or the public employees' retirement system, who are covered by unemployment insurance, or who are covered by any federal social security system requiring employer contributions shall establish a retirement fund for the purposes of budgeting and paying the employer's contributions to the systems as provided in subsection (2)(a). The district's or the cooperative's contribution for each employee who is a member of the teachers' retirement system must be calculated in accordance with Title 19, chapter 20, part 6. The district's or the cooperative's contribution for each employee who is a member of the public employees' retirement system must be calculated in accordance with 19-3-316. The district's or the cooperative's contributions for each employee covered by any federal social security system must be paid in accordance with federal law and regulation. The district's or the cooperative's contribution for each employee who is covered by unemployment insurance must be paid in accordance with Title 39, chapter 51, part 11.

(2) (a) The district or the cooperative shall pay the employer's contributions to the retirement, federal social security, and unemployment insurance systems from the retirement fund for the following:

(i) a district employee whose salary and health-related benefits, if any health-related benefits are provided to the employee, are paid from state or local funding sources;

(ii) a cooperative employee whose salary and health-related benefits, if any health-related benefits are provided to the employee, are paid from the cooperative's interlocal cooperative fund if the fund is supported solely from districts' general funds and state special education allowable cost payments, pursuant to 20-9-321, or are paid from the miscellaneous programs fund, provided for in 20-9-507, from money received from the medicaid program, pursuant to 53-6-101;

(iii) a district employee whose salary and health-related benefits, if any health-related benefits are provided to the employee, are paid from the district's school food services fund provided for in 20-10-204; ~~and~~

(iv) a district employee whose salary and health-related benefits, if any health-related benefits are provided to the employee, are paid from the district impact aid fund, pursuant to 20-9-514; and

(v) for the 2011 biennium only, a district employee whose salary and health-related benefits, if any health-related benefits are provided to the employee, are budgeted in the district general fund but are paid from state fiscal stabilization funds received pursuant the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

(b) For an employee whose benefits are not paid from the retirement fund, the district or the cooperative shall pay the employer's contributions to the retirement, federal social security, and unemployment insurance systems from the funding source that pays the employee's salary.

(3) The trustees of a district required to make a contribution to a system referred to in subsection (1) shall include in the retirement fund of the final budget the estimated amount of the employer's contribution. After the final retirement fund budget has been adopted, the trustees shall pay the employer contributions to the systems in accordance with the financial administration provisions of this title.

(4) When the final retirement fund budget has been adopted, the county superintendent shall establish the levy requirement by:

(a) determining the sum of the money available to reduce the retirement fund levy requirement by adding:

(i) any anticipated money that may be realized in the retirement fund during the ensuing school fiscal year;

(ii) oil and natural gas production taxes;

(iii) coal gross proceeds taxes under 15-23-703;

(iv) countywide school retirement block grants distributed under 20-9-631;

(v) any fund balance available for reappropriation as determined by subtracting the amount of the end-of-the-year fund balance earmarked as the retirement fund operating reserve for the ensuing school fiscal year by the trustees from the end-of-the-year fund balance in the retirement fund. The retirement fund operating reserve may not be more than 35% of the final retirement fund budget for the ensuing school fiscal year and must be used for the purpose of paying retirement fund warrants issued by the district under the final retirement fund budget.

(vi) any other revenue anticipated that may be realized in the retirement fund during the ensuing school fiscal year, excluding any guaranteed tax base aid.

(b) notwithstanding the provisions of subsection (9), subtracting the money available for reduction of the levy requirement, as determined in subsection (4)(a), from the budgeted amount for expenditures in the final retirement fund budget.

(5) The county superintendent shall:

(a) total the net retirement fund levy requirements separately for all elementary school districts, all high school districts, and all community college districts of the county, including any prorated joint district or special education cooperative agreement levy requirements; and

(b) report each levy requirement to the county commissioners on the fourth Monday of August as the respective county levy requirements for elementary district, high school district, and community college district retirement funds.

(6) The county commissioners shall fix and set the county levy or district levy in accordance with 20-9-142.

(7) The net retirement fund levy requirement for a joint elementary district or a joint high school district must be prorated to each county in which a part of the district is located in the same proportion as the district ANB of the joint district is distributed by pupil residence in each county. The county superintendents of the counties affected shall jointly determine the net retirement fund levy requirement for each county as provided in 20-9-151.

(8) The net retirement fund levy requirement for districts that are members of special education cooperative agreements must be prorated to each county in which the district is located in the same proportion as the special education cooperative budget is prorated to the member school districts. The county superintendents of the counties affected shall jointly determine the net retirement fund levy requirement for each county in the same manner as provided in 20-9-151, and the county commissioners shall fix and levy the net retirement fund levy for each county in the same manner as provided in 20-9-152.

(9) The county superintendent shall calculate the number of mills to be levied on the taxable property in the county to finance the retirement fund net levy requirement by dividing the amount determined in subsection (5)(a) by the sum of:

(a) the amount of guaranteed tax base aid that the county will receive for each mill levied, as certified by the superintendent of public instruction; and

(b) the taxable valuation of the district divided by 1,000.

(10) The levy for a community college district may be applied only to property within the district.

(11) The county superintendent of each county shall submit a report of the revenue amounts used to establish the levy requirements for county school funds supporting elementary and high school district retirement obligations to the superintendent of public instruction not later than the second Monday in September. The report must be completed on forms supplied by the superintendent of public instruction."

Section 24. Permissive levy. If an appropriation for a 3% increase in the basic entitlement and per-ANB entitlement in each fiscal year is contained in [section 85], then a school district may impose a permissive levy, calculated in accordance with 20-9-141, to fund the local share of the BASE budget.

Section 25. Over-BASE budget levy. If an appropriation for a 3% increase in the basic entitlement and per-ANB entitlement in each fiscal year is contained in [section 85], then a district may impose an over-BASE budget levy, calculated in accordance with 20-9-141, to fund the over-BASE budget. Districts shall comply with voting requirements as provided in 20-9-353.

Section 26. Section 20-25-402, MCA, is amended to read:

"20-25-402. Borrowing by regents. (1) In carrying out the powers provided in 20-25-107, 20-25-301, and 20-25-302, the regents may:

~~(1)~~(a) borrow money for any purpose or purposes stated in parts 3 and 4 of this chapter, including, if considered desirable by the regents, the payment of interest on the money borrowed for a facility during the construction ~~thereof~~ of the facility and for 1 year ~~thereafter~~ after construction and the creation of a reserve for the payment of bond principal and interest;

~~(2)~~(b) make purchases on a time or installment basis;

~~(3)~~(c) issue bonds, notes, and other securities, negotiable or otherwise, secured as provided in this section, including bearer bonds with appurtenant interest coupons, which ~~shall~~ must be fully negotiable notwithstanding any limitation on the source of payment ~~thereof~~ of the bonds, notes, or securities, or fully registered bonds or bonds registered as to ownership of principal only;

~~(4)~~(d) pledge for the payment of the purchase price of any facility or of the principal and interest on bonds, notes, or other securities authorized in this chapter or otherwise obligate:

~~(a)~~(i) the net income received from rents, board, or both in housing, food service, and other facilities;

~~(b)~~(ii) receipts from student building, activity, union, and other special fees prescribed by the regents for all students; and

~~(c)~~(iii) (A) other income in the form of gifts, bequests, contributions, or federal grants of funds, including the proceeds or income from grants of lands or other real or personal property;

(B) receipts from athletic and other contests, exhibitions, and performances; and

(C) collections of admissions and other charges for the use of facilities, including all use by other persons, firms, and corporations for athletic and other contests, exhibitions, and performances and for the conduct of their business, educational, or governmental functions;

~~(5)~~(e) make payments on loans or purchases from any other available income not obligated for those purposes, including receipts from sale of materials, equipment, and fixtures of the facilities or from sales of the facilities themselves, other than land;

~~(6)~~(f) secure any bonds authorized ~~hereunder~~ under this section by a trust indenture between the regents and any bank or trust company within or ~~without~~ outside of the state of Montana or by a resolution establishing covenants of the regents with the holders of ~~such~~ the bonds relating to:

~~(a)~~(i) the construction, operation, use, and insurance of the facilities;

~~(b)~~(ii) the segregation, expenditure, and audit of accounts of the bond proceeds and of the income pledged;

~~(c)~~(iii) the establishment and collection of rents, charges, admissions, and fees sufficient to provide net income adequate for prompt payment of principal and interest on bonds and creation and maintenance of reserves for that purpose; and

~~(d)~~(iv) ~~such~~ other matters ~~as~~ that the regents may determine to be necessary or desirable for the security and marketability of the bonds;

~~(7)~~(g) subject to the following provisions, issue and sell or exchange bonds, secured as provided in this section, for the refunding of any outstanding bonds or other obligations issued by the regents ~~before or after January 29, 1971, subject to the following provisions~~:

~~(a)~~(i) refunding bonds may, with the consent of the holders of the bonds to be refunded ~~thereby~~, be exchanged at par plus accrued interest for all or part of ~~such~~ the bonds or may be sold at a price not less than par plus accrued interest. They may be secured by a pledge of the same revenue as the bonds refunded or by a pledge of different or additional revenues received at the same unit of the university. ~~Nothing herein shall~~ This subsection (1)(g) may not require the holder of any outstanding bond to accept payment ~~thereof~~ of the bond or the delivery of a refunding bond in exchange ~~therefor~~ for the bond, except in accordance with the terms of the outstanding bond. Bonds may be issued to refund interest as well as principal actually due and payable if the ~~revenues~~ revenue pledged ~~therefor~~ for the bonds are not sufficient, but not to refund any bonds or interest due ~~which~~ that can be paid from ~~revenues~~ revenue then on hand.

~~(b)~~(ii) refunding bonds may bear interest at a rate lower or higher than the bonds refunded ~~thereby~~ by the refunding bonds if they are issued to refund matured principal or interest for the payment of which ~~revenues~~ revenue on hand ~~are~~ is not sufficient ~~or if they are issued to refund before maturity bonds issued before January 1, 1965~~, for the purpose of releasing ~~revenues~~ revenue required for payment of the outstanding bonds permitting the pledge ~~thereof~~ of the revenue for the security of other bonds as well as the refunding bonds, subject to the rights of the holders of the outstanding bonds until those bonds are fully paid and redeemed. Except as authorized in the preceding sentence, refunding bonds ~~shall~~ may not be issued unless their average

annual interest rate, computed to their stated maturity dates and excluding any premium from ~~such~~ the computation, is at least 3/8 of 1% less than the average annual interest rate on the bonds refunded ~~thereby~~, computed to their respective stated maturity dates.

~~(c)~~(iii) in any case ~~where~~ in which refunding bonds are issued and sold 6 months or more before the earliest date on which all bonds refunded ~~thereby~~ by the refunding bonds mature or are prepayable in accordance with their terms, the proceeds of the refunding bonds, including any premium and accrued interest, ~~shall~~ must be deposited in escrow with a suitable bank or trust company having its principal place of business within or ~~without~~ outside of the state, which is a member of the federal reserve system and has a combined capital and surplus of not less than $1 million, and ~~shall~~ must be invested in the amount and in securities maturing on the dates and bearing interest at the rates ~~which~~ that will be required to provide funds sufficient to pay when due the interest to accrue on each bond refunded to its maturity or, if it is prepayable, to the earliest prior date upon which the bond may be called for redemption from the proceeds of the refunding bonds and to pay and redeem the principal amount of each bond at maturity or, if prepayable, on that redemption date and any premium required for redemption on that date. The resolution or indenture authorizing the refunding bonds ~~shall~~ must irrevocably appropriate for these purposes the escrow fund and all income ~~therefrom~~ from the escrow fund and ~~shall~~ must provide for the call of all prepayable bonds in accordance with their terms. The securities to be purchased with ~~such~~ the escrow funds ~~shall~~ must be limited to general obligations of the United States, securities ~~whose~~ for which principal and interest payments are guaranteed by the United States, and securities issued by the following United States government agencies~~:~~, including only banks for cooperatives, federal home loan banks, federal intermediate credit banks, federal land banks, and the federal national mortgage association. The securities ~~shall~~ must be purchased simultaneously with the delivery of the refunding bonds.

~~(d)~~(iv) ~~revenues~~ revenue or other funds on hand~~,~~ in excess of the amount pledged by resolutions or indentures authorizing outstanding bonds for the payment of principal and interest currently due ~~thereon~~ on the outstanding bonds and reserves securing ~~such~~ the payment~~,~~ may be used to pay the expenses incurred by the regents for the purpose of refunding, including but without limitation the cost of advertising and printing refunding bonds, legal and financial advice and assistance in connection ~~therewith~~ with refunding the bonds, and the reasonable and customary charges of escrow agents and paying agents. ~~Revenues~~ Revenue and other funds on hand, including reserves pledged for the payment and security of outstanding revenue bonds, may be deposited in an escrow fund created for the retirement of those bonds and may be invested and disbursed as provided in subsection ~~(7)(c) hereof~~ (1)(g)(iii) to the extent consistent with the resolutions or indentures authorizing ~~such~~ the outstanding bonds.

~~(8)~~(h) sell bonds and sell or exchange refunding bonds issued ~~hereunder~~ under this section in the manner and upon the terms as to maturities, interest rates, and redemption privileges and for the price that the regents determine with the approval of the department of administration.

(2) If applicable, the regents shall specify whether the bonds issued under this section are tax credit bonds as provided in [section 44]."

Section 27. Section 20-25-427, MCA, is amended to read:

"20-25-427. Allocation of indirect cost reimbursements. ~~Any~~ Subject to the conditions contained in the American Recovery and Reinvestment Act of 2009, Public Law 111-5,

any reimbursement for indirect costs associated with a grant to or contract with the Montana university system or any of its units is allocated to the designated subfund of the current fund, as provided in 17-2-102, for distribution to the unit receiving the grant or under the contract."

Section 28. Section 39-51-201, MCA, is amended to read:

"39-51-201. General definitions. As used in this chapter, unless the context clearly requires otherwise, the following definitions apply:

(1) "Annual payroll" means the total amount of wages paid by an employer, regardless of the time of payment, for employment during a calendar year.

(2) "Base period" means:

(a) the first 4 of the last 5 completed calendar quarters immediately preceding the first day of an individual's benefit year~~.~~;

(b) if the individual does not have sufficient wages to qualify for benefits under subsection (2)(a), the 4 most recently completed calendar quarters immediately preceding the first day of the individual's benefit year;

(c) ~~However,~~ in the case of a combined-wage claim pursuant to the arrangement approved by the secretary of labor of the United States, ~~the base period is~~ the period applicable under the unemployment law of the paying state~~.~~; or

(d) ~~For~~ for an individual who fails to meet the qualifications of 39-51-2105 or a similar statute of another state because of a temporary total disability, as defined in 39-71-116, or a similar statute of another state or the United States, ~~the base period means~~ the first 4 quarters of the last 5 completed calendar quarters preceding the disability if a claim for unemployment benefits is filed within 24 months of the date on which the individual's disability was incurred.

(3) "Benefit year", with respect to any individual, means the 52-consecutive-week period beginning with the first day of the calendar week in which the individual files a valid claim for benefits, except that the benefit year is 53 weeks if filing a new valid claim would result in overlapping any quarter of the base year of a previously filed new claim. A subsequent benefit year may not be established until the expiration of the current benefit year. However, in the case of a combined-wage claim pursuant to the arrangement approved by the secretary of labor of the United States, the base period is the period applicable under the unemployment law of the paying state.

(4) "Benefits" means the money payments payable to an individual, as provided in this chapter, with respect to the individual's unemployment.

(5) "Board" means the board of labor appeals provided for in Title 2, chapter 15, part 17.

(6) "Calendar quarter" means the period of 3 consecutive calendar months ending on March 31, June 30, September 30, or December 31.

(7) "Contributions" means the money payments to the state unemployment insurance fund required by this chapter but does not include assessments under 39-51-404.

(8) "Department" means the department of labor and industry provided for in Title 2, chapter 15, part 17.

(9) (a) "Domestic or household service" means employment of persons other than members of the household for the purpose of tending to the aid and comfort of the employer or

members of the employer's family, including but not limited to housecleaning and yard work.

(b) The term does not include employment beyond the scope of normal household or domestic duties, such as home health care or domiciliary care.

(10) "Employing unit" means any individual or organization, including the state government and any of its political subdivisions or instrumentalities or an Indian tribe or tribal unit, partnership, association, trust, estate, joint-stock company, insurance company, limited liability company or limited liability partnership that has filed with the secretary of state, or corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee or the trustee's successor, or legal representative of a deceased person in whose employ one or more individuals perform or performed services within this state, except as provided under 39-51-204(1)(a) and (1)(q). All individuals performing services within this state for any employing unit that maintains two or more separate establishments within this state are considered to be employed by a single employing unit for all the purposes of this chapter. Each individual employed to perform or assist in performing the work of any agent or employee of an employing unit is considered to be employed by the employing unit for the purposes of this chapter, whether the individual was hired or paid directly by the employing unit or by the agent or employee, provided that the employing unit has actual or constructive knowledge of the work.

(11) "Employment office" means a free public employment office or branch of an office operated by this state or maintained as a part of a state-controlled system of public employment offices or other free public employment offices operated and maintained by the United States government or its instrumentalities as the department may approve.

(12) "Fund" means the unemployment insurance fund established by this chapter to which all contributions and payments in lieu of contributions must be paid and from which all benefits provided under this chapter must be paid.

(13) "Gross misconduct" means a criminal act, other than a violation of a motor vehicle traffic law, for which an individual has been convicted in a criminal court or has admitted or conduct that demonstrates a flagrant and wanton disregard of and for the rights, title, or interest of a fellow employee or the employer.

(14) "Hospital" means an institution that has been licensed, certified, or approved by the state as a hospital.

(15) "Independent contractor" means an individual working under an independent contractor exemption certificate provided for in 39-71-417.

(16) "Indian tribe" means an Indian tribe as defined in the Indian Self-Determination and Education Assistance Act, 25 U.S.C. 450b(e).

(17) (a) "Institution of higher education", for the purposes of this part, means an educational institution that:

(i) admits as regular students only individuals having a certificate of graduation from a high school or the recognized equivalent of a certificate;

(ii) is legally authorized in this state to provide a program of education beyond high school;

(iii) provides an educational program for which the institution awards a bachelor's or higher degree or provides a program that is acceptable for full credit toward a bachelor's or higher degree, a program of postgraduate or postdoctoral studies, or a program of training to prepare students for gainful employment in a recognized occupation; and

(iv) is a public or other nonprofit institution.

(b) All universities in this state are institutions of higher education for purposes of this part.

(18) "Licensed and practicing health care provider" means a health care provider who is primarily responsible for the treatment of a person seeking unemployment insurance benefits and who is:

(a) licensed to practice in this state as:

(i) a physician under Title 37, chapter 3;

(ii) a dentist under Title 37, chapter 4;

(iii) an advanced practice registered nurse under Title 37, chapter 8, and recognized as a nurse practitioner or certified nurse specialist by the board of nursing, established in 2-15-1734;

(iv) a physical therapist under Title 37, chapter 11;

(v) a chiropractor under Title 37, chapter 12;

(vi) a clinical psychologist under Title 37, chapter 17; or

(vii) a physician assistant under Title 37, chapter 20; or

(b) with respect to a person seeking unemployment insurance benefits who resides outside of this state, a health care provider licensed or certified as a member of one of the professions listed in subsection (18)(a) in the jurisdiction where the person seeking the benefit lives.

(19) "No-additional-cost service" has the meaning provided in section 132 of the Internal Revenue Code, 26 U.S.C. 132.

(20) "State" includes, in addition to the states of the United States of America, the District of Columbia, Puerto Rico, the Virgin Islands, and Canada.

(21) "Taxes" means contributions and assessments required under this chapter but does not include penalties or interest for past-due or unpaid contributions or assessments.

(22) "Tribal unit" means an Indian tribe and any tribal subdivision or subsidiary or any business enterprise that is wholly owned by that tribe.

(23) "Unemployment insurance administration fund" means the unemployment insurance administration fund established by this chapter from which administrative expenses under this chapter must be paid.

(24) (a) "Wages", unless specifically exempted under subsection (24)(b), means all remuneration payable for personal services, including the cash value of all remuneration paid in any medium other than cash. The reasonable cash value of remuneration payable in any medium other than cash must be estimated and determined pursuant to rules prescribed by the department. The term includes but is not limited to:

(i) commissions, bonuses, and remuneration paid for overtime work, holidays, vacations, and sickness periods;

(ii) severance or continuation pay, backpay, and any similar pay made for or in regard to previous service by the employee for the employer, other than retirement or pension benefits from a qualified plan; and

(iii) tips or other gratuities received by the employee, to the extent that the tips or gratuities are documented by the employee to the employer for tax purposes.

(b) The term does not include:

(i) the amount of any payment made by the employer for employees, if the payment was made for:

(A) retirement or pension pursuant to a qualified plan as defined under the provisions of the Internal Revenue Code;

(B) sickness or accident disability under a workers' compensation policy;

(C) medical or hospitalization expenses in connection with sickness or accident disability, including health insurance for the employee or the employee's immediate family; or

(D) death, including life insurance for the employee or the employee's immediate family;

(ii) employee expense reimbursements or allowances for meals, lodging, travel, subsistence, or other expenses, as set forth in department rules;

(iii) a no-additional-cost service; or

(iv) wage subsidies received pursuant to the alternative trade adjustment assistance for older workers program, 19 U.S.C. 2318.

(25) "Week" means a period of 7 consecutive calendar days ending at midnight on Saturday.

(26) "Weekly benefit amount" means the amount of benefits that an individual would be entitled to receive for 1 week of total unemployment."

Section 29. Part-time work search -- eligibility for benefits. (1) Except as provided in subsection (2), an individual may not be denied regular unemployment compensation benefits solely because the individual is seeking only part-time work, as that term is defined in rules adopted by the department.

(2) In order to be qualified for benefits under subsection (1), the majority of the individual's workweeks in the base period must have been part-time.

Section 30. Participation in worker training program -- eligibility for training benefits. (1) Subject to the requirements of this section, training benefits are available to an individual who has exhausted all rights to regular unemployment compensation benefits and who is attending an approved worker training program.

(2) An unemployed individual who is participating and making satisfactory progress in a state-approved training program or a job training program authorized by the Workforce Investment Act of 1998 that is necessary for the individual's reemployment is eligible to receive training benefits if, as determined by the department:

(a) the individual was:

(i) separated from a declining occupation; or

(ii) involuntarily and indefinitely separated from employment as a result of a permanent reduction of operations at the individual's place of employment;

(b) the training enhances the individual's marketable skills and earning power; and

(c) the training is targeted to those industries or skills that are in demand within the labor market.

(3) Benefits must be paid under this section at the individual's average weekly benefit amount during the applicable benefit year and under the same terms and conditions as regular benefits.

(4) Benefits are payable under this section only for weeks during which the individual is attending an approved training program.

(5) An employer's account may not be charged for payment of benefits to an individual under this section.

Section 31. Section 52-3-115, MCA, is amended to read:

"52-3-115. Older Montanans trust fund. (1) There is an older Montanans trust fund within the permanent fund type. The trust fund is subject to legislative appropriation as provided in this section.

(2) (a) The money in the fund may be used to create new, innovative services or to expand existing services for the benefit of Montana residents 60 years of age or older that will enable those Montanans to live an independent lifestyle in the least restrictive setting and will promote the dignity of and respect for those Montanans. The interest and income produced by the trust fund and appropriated to the department by the legislature is intended to increase services referred to in this subsection and not to supplant other sources of revenue for those programs in the trended traditional level~~, as used in 53-6-1201,~~ of appropriations for those services.

(b) As used in subsection (2)(a), the phrase "trended traditional level of appropriations" means the appropriation amounts, including supplemental appropriations, as those amounts were set based on eligibility standards, services authorized, and payment amount during the past five biennial budgets.

(3) The department may accept contributions and gifts for the trust fund in money or other forms, and when accepted, the contributions and gifts must be deposited in the trust fund.

(4) Interest and income earned on money in the trust fund must be retained within the fund except as provided in this section. Until the year 2015, if assets in the fund reach the following amounts, money may be appropriated by the legislature and used in the following amounts for the programs specified in subsection (2):

(a) When the fund balance reaches $20 million, 50% of the interest earned may be appropriated.

(b) When the fund balance reaches $50 million, 60% of the interest earned may be appropriated.

(c) When the fund balance reaches $100 million, 80% of the interest earned may be appropriated.

(5) On and after January 1, 2015, 90% of the interest earned on the trust fund may be appropriated for the programs specified in subsection (2).

(6) The department shall provide to the legislature a biennial report of the expenditures of the money appropriated from the older Montanans trust fund as provided in 5-11-210."

Section 32. Section 53-4-212, MCA, is amended to read:

"53-4-212. Department to make rules. (1) The department shall make rules and take action as necessary or desirable for the administration of public assistance programs.

(2) ~~The~~ Subject to subsection (3), the department shall adopt rules that may include but are not limited to rules concerning:

(a) eligibility requirements, including gross and net income limitations, resource limitations, and income and resource exclusions;

(b) amounts of assistance, methods for computing benefit amounts, and the length of time for which benefits may be granted;

(c) the degree of kinship required for a person to qualify as a specified caretaker relative in order to be eligible for assistance;

(d) procedures and policies for employment and training programs, requirements for participation in employment and training programs, and exemptions, if any, from participation requirements;

(e) requirements for specified caretaker relatives, including cooperation with assessments, the number of hours of participation required for each month, specific activities required to address employment barriers, and other terms of performance;

(f) eligibility for and terms and conditions of child-care assistance for financial assistance recipients, including maximum amounts of assistance payable and amounts of copayments required by specified caretaker relatives;

(g) eligibility criteria and participation requirements for nonfinancial assistance recipients;

(h) terms of ineligibility or sanctions against a specified caretaker relative or other family member who fails to enter into a family investment agreement, as provided for in 53-4-606, or to comply with the individual's obligations under the agreement, including the length of the period of ineligibility, if any;

(i) requirements, if any, for participation in the employment and training demonstration project;

(j) eligibility for and terms and conditions of extended medical assistance benefits;

(k) reporting requirements;

(l) sanctions, disqualification, or other penalties for failure or refusal to comply with the rules or requirements of a public assistance program;

(m) exemptions from the 60-month limitation on assistance provided in 53-4-231 based on hardship or for families that include an individual who has been battered or subjected to extreme cruelty, as defined in section 103 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 42 U.S.C. 608, including but not limited to the duration of the exemption;

(n) individuals who must be included as members of an assistance unit;

(o) categories of aliens who may receive assistance, if any;

(p) requirements relating to the assignment of child and medical support rights and cooperation in establishing paternity and obtaining child and medical support;

(q) requirements for eligibility and other terms and conditions of other programs to strengthen and preserve families;

(r) special eligibility or participation requirements applicable to teenage parents, if any;

(s) conditions under which assistance may be continued when an adult or a dependent child is temporarily absent from the home and the length of time for which assistance may be continued;

(t) any random drug testing or reporting requirements for persons who are required to comply with the conditions provided under 53-4-231(3) and graduated sanctions that may include terms of ineligibility for violations of conditions of supervision or treatment requirements. The department may enter into agreements with the department of corrections regarding testing and reporting on offenders under the supervision of the department of corrections.

(u) approved educational programs, appropriate educational courses of study, employee assessment instruments, and administration of the Montana parents as scholars program provided for in 53-4-209.

(3) The department shall raise the eligibility standard for individuals receiving cash assistance benefits from the federal TANF block grant from at or below 30% of the 2002 federal poverty level to at or below 30% of the 2009 federal poverty level for the period from July 1, 2009, through September 30, 2010. Beginning October 1, 2010, the department shall reduce the eligibility standard to 30% of the 2006 federal poverty level. If the TANF caseload increases to a point that expenditures jeopardize the TANF block grant, the department, after consultation with the legislative finance committee, may lower the eligibility standard as provided in subsection (2)."

Section 33. Section 53-6-149, MCA, is amended to read:

"53-6-149. (Temporary) State special revenue fund account -- administration. (1) There is a hospital medicaid reimbursement account in the state special revenue fund provided for in 17-2-102.

(2) ~~All~~ Except as provided in 15-66-102(3), all money collected under 15-66-102 must be deposited in the account.

(3) Money in the account must be used by the department of public health and human services to provide funding for increases in medicaid payments to hospitals and for the costs of collection of the fee and other administrative activities associated with the implementation of increases in the medicaid payments to hospitals. (Terminates June 30, 2009--sec. 5, Ch. 517, L. 2007.)"

Section 34. Medicaid reserve account. There is a medicaid reserve account in the state special revenue fund provided for in 17-2-102. Money in the account must be used by the department for medicaid benefits after June 30, 2011. Any interest or income earned on the account must be deposited in the account. Each calendar quarter through December 31, 2010, the amount recovered under the federal medical assistance percentage hold harmless provision of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, must be transferred to the medicaid reserve account.

Section 35. Section 53-6-1201, MCA, is amended to read:

"53-6-1201. Special revenue fund -- health and medicaid initiatives. (1) There is a health and medicaid initiatives account in the state special revenue fund established by 17-2-102. This account is to be administered by the department of public health and human services.

(2) There must be deposited in the account:

(a) money from cigarette taxes deposited under 16-11-119(1)(c);

(b) money from taxes on tobacco products other than cigarettes deposited under 16-11-119(3)(b); and

(c) any interest and income earned on the account.

(3) This account may be used only to provide funding for:

(a) the state funds necessary to take full advantage of available federal matching funds in order to maximize enrollment of eligible children under the children's health insurance program, provided for under Title 53, chapter 4, part 10, and to provide outreach to the eligible children;~~. The increased revenue in this account is intended to increase enrollment rates for eligible children in the program and not to be used to support existing levels of enrollment based upon appropriations for the biennium ending June 30, 2005.~~

(b) a new need-based prescription drug program established by the legislature for children, seniors, chronically ill persons, and disabled persons that does not supplant similar services provided under any existing program;

(c) increased medicaid services and medicaid provider rates;~~. The increased revenue is intended to increase medicaid services and medicaid provider rates and not to supplant the general fund in the trended traditional level of appropriation for medicaid services and medicaid provider rates.~~

(d) an offset to loss of revenue to the general fund as a result of new tax credits;

(e) funding new programs to assist eligible small employers with the costs of providing health insurance benefits to eligible employees;

(f) the cost of administering the tax credit, the purchasing pool, and the premium incentive payments and premium assistance payments as provided in Title 33, chapter 22, part 20; and

(g) providing a state match for the medicaid program for premium incentive payments or premium assistance payments to the extent that a waiver is granted by federal law as provided in 53-2-216.

(4) (a) ~~Except for $1 million appropriated for the startup costs of 53-6-1004 and 53-6-1005, the money appropriated for fiscal year 2006 for the programs in subsections (3)(b) and (3)(d) through (3)(g) may not be expended until the office of budget and program planning has certified that $25 million has been deposited in the account provided for in this section or December 1, 2005, whichever occurs earlier.~~

~~(b)~~ On or before July 1, the budget director shall calculate a balance required to sustain each program in subsection (3) for each fiscal year of the biennium. If the budget director certifies that the reserve balance will be sufficient, then the agencies may expend the revenue for the programs as appropriated. If the budget director determines that the reserve balance of the revenue will not support the level of appropriation, the budget director shall notify each agency. Upon receipt of the notification, the agency shall adjust the operating budget for the program to reflect the available revenue as determined by the budget director.

~~(c)~~(b) Until the programs or credits described in subsections (3)(b) and (3)(d) through (3)(g) are established, the funding must be used exclusively for the purposes described in subsections (3)(a) and (3)(c).

~~(5) The phrase "trended traditional level of appropriation", as used in subsection (3)(c), means the appropriation amounts, including supplemental appropriations, as those amounts were set based on eligibility standards, services authorized, and payment amount during the past five biennial budgets.~~

~~(6)~~(5) The department of public health and human services may adopt rules to implement this section."

Section 36. Section 75-5-1102, MCA, is amended to read:

"75-5-1102. Definitions. Unless the context requires otherwise, in this part, the following definitions apply:

(1) "Administrative costs" means costs incurred by the department and the department of natural resources and conservation in the administration of the program, including but not limited to costs of servicing loans and issuing debt; program startup costs; financial, management, and legal consulting fees; and reimbursement costs for support services from other state agencies.

(2) "Cost" means, with reference to a project, all capital costs incurred or to be incurred by a municipality or a private person, including but not limited to engineering, construction, financing, and other fees, interest during construction, and a reasonable allowance for contingencies to the extent permitted by the federal act and regulations promulgated under the federal act.

(3) "Federal act" means the Federal Water Pollution Control Act, also known as the Clean Water Act, 33 U.S.C. 1251 through 1387, as amended, including conditions and exclusions contained in the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

(4) "Intended use plan" means the annual plan adopted by the department and submitted to the environmental protection agency that describes how the state intends to use the money in the revolving fund.

(5) "Loan" means a loan of money from the revolving fund to a municipality or a private person.

(6) "Municipality" means any state agency, city, town, or other public body created pursuant to state law, including an authority as defined in 75-6-304.

(7) "Private person" means an individual, corporation, partnership, or other nongovernmental legal entity.

(8) "Program" means the water pollution control state revolving fund program established by this part.

(9) "Project" means an activity that is eligible for financing by the program under the federal act, including treatment works, as defined under section 1292 of the federal act (33 U.S.C. 1292), and nonpoint source pollution control under section 1329 of the federal act (33 U.S.C. 1329), and for which a municipality or private person makes an application for a loan or other financial assistance.

(10) "Revolving fund" means the fund established by 75-5-1106."

Section 37. Section 75-5-1107, MCA, is amended to read:

"75-5-1107. Uses of revolving fund. (1) Money in the revolving fund must be used to:

~~(1)~~(a) make loans to municipalities to finance all or a portion of the cost of a project and to make loans to private persons to finance all or a portion of the cost of nonpoint source pollution control projects;

~~(2)~~(b) buy or refinance debt obligations of municipalities that were issued to finance projects within the state at or below market rates, provided that the obligations were incurred after March 7, 1985;

~~(3)~~(c) guarantee or purchase insurance for obligations of municipalities that were issued to finance projects in order to enhance credit or reduce interest rates;

~~(4)~~(d) provide a source of revenue or security for general obligation bonds the proceeds of which are deposited in the revolving fund;

~~(5)~~(e) provide loan guarantees for similar revolving funds established by municipalities;

~~(6)~~(f) earn interest on fund accounts; and

~~(7)~~(g) pay reasonable administrative costs of the program not to exceed 4% of all federal grant awards to the fund or the maximum amount allowed under the federal act.

(2) Money received by the state under the American Recovery and Reinvestment Act of 2009, Public Law 111-5, as capitalization grants for a state revolving fund may be used by the department or the department of natural resources and conservation to provide additional subsidization to eligible recipients in the form of forgiveness of the principal of a loan to the extent permitted or required by federal law and subject to satisfaction of conditions on loans described in 75-5-1113."

Section 38. Section 75-6-202, MCA, is amended to read:

"75-6-202. Definitions. Unless the context requires otherwise, in this part, the following definitions apply:

(1) "Administrative costs" means costs incurred by the department and the department of natural resources and conservation in the administration of the program, including but not limited to:

(a) costs of servicing loans and issuing debt;

(b) program startup costs;

(c) financial, management, and legal consulting fees; and

(d) reimbursement costs for support services from other state agencies.

(2) "Community water system" means a public water system that is owned by a private person or a municipality and that serves at least 15 service connections used by year-round residents of the area served by the system or regularly serves at least 25 year-round residents. The term does not include a public water system that is owned by the federal government.

(3) "Cost" means, with reference to a project, all capital costs incurred or to be incurred for a public water system, including but not limited to:

(a) engineering, financing, and other fees;

(b) interest during construction;

(c) construction; and

(d) a reasonable allowance for contingencies to the extent permitted by the federal act and rules promulgated under the federal act.

(4) "Department" means the department of environmental quality provided for in 2-15-3501.

(5) "Disadvantaged community" means one in which the service area of a public water system meets the affordability criteria established by rule adopted pursuant to this part.

(6) "Federal act" means the federal Safe Drinking Water Act, 42 U.S.C. 300f, et seq., as that act read on May 5, 1997, and including conditions and exclusions contained in the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

(7) "Indian tribe" means an Indian tribe that has a federally recognized governing body carrying out substantial governmental duties and powers over any area.

(8) "Intended use plan" means the annual plan adopted by the department and submitted to the environmental protection agency that describes how the state intends to use the money in the revolving fund.

(9) "Loan" means a loan of money from the revolving fund for project costs.

(10) "Municipality" means a state agency, city, town, or other public body, including an authority as defined in 75-6-304, created pursuant to state law or an Indian tribe.

(11) "Noncommunity water system" means a public water system that is not a community water system.

(12) "Nonprofit noncommunity water system" means a noncommunity water system owned by an organization that is organized under Montana law and that qualifies as a tax-exempt organization under the provisions of section 501(c)(3) of the Internal Revenue Code.

(13) "Private person" means an individual, corporation, partnership, or other nongovernmental legal entity.

(14) "Program" means the drinking water state revolving fund program established by this part.

(15) "Project" means improvements or activities that are:

(a) to be undertaken for a public water system and that are of a type that will facilitate compliance with the national primary drinking water regulations applicable to the system; or

(b) to further the health protection objectives of the federal act.

(16) "Public water system" means a system for the provision to the public of water for human consumption, through pipes or other constructed conveyances, if that system has at least 15 service connections or regularly serves at least 25 individuals. The term includes any collection, treatment, storage, and distribution facilities under control of an operator of a system that are used primarily in connection with a system and any collection or pretreatment storage facilities not under control of an operator and that are used primarily in connection with a system.

(17) "Revolving fund" means the drinking water state revolving fund established by 75-6-211."

Section 39. Section 75-6-226, MCA, is amended to read:

"75-6-226. Loan subsidy for disadvantaged communities. (1) Notwithstanding any other provision in this part, if the program makes a loan pursuant to 75-6-221(1) to a disadvantaged community or to a community that the department expects to become a disadvantaged community as a result of a proposed project, the department may provide additional subsidization in the form of a reduced interest rate, the forgiveness of principal, or a combination of both.

(2) The total annual amount of loan subsidies made by the department pursuant to subsection (1) may not exceed 30% of the capitalization grant received by the department for each fiscal year.

(3) Notwithstanding any other provision in this part, money received by the state under the American Recovery and Reinvestment Act of 2009, Public Law 111-5, as capitalization grants for a state revolving fund may be used by the department or the department of natural resources and conservation to provide additional subsidization to eligible recipients in the form of forgiveness of the principal of a loan to the extent permitted or required by federal law and subject to satisfaction of conditions on loans described in 75-6-224."

Section 40. Section 75-25-101, MCA, is amended to read:

"75-25-101. Alternative energy revolving loan account. (1) There is a special revenue account called the alternative energy revolving loan account to the credit of the department of environmental quality.

(2) The alternative energy revolving loan account consists of money deposited into the account from air quality penalties from 75-2-401 and 75-2-413 and money from any other source. Any interest earned by the account and any interest that is generated from a loan repayment must be deposited into the account and used to sustain the program.

(3) Funds from the alternative energy revolving loan account may be used to provide loans to individuals, small businesses, units of local government, units of the university system, and nonprofit organizations for the purpose of building alternative energy systems, as defined in 15-32-102:

(a) to generate energy for their own use;

(b) for net metering as defined in 69-8-103; and

(c) for capital investments by those entities for energy conservation purposes, as defined in 15-32-102, when done in conjunction with an alternative energy system.

(4) (a) ~~The~~ Except as provided in subsection (4)(b), the amount of a loan may not exceed $40,000, and the loan must be repaid within 10 years.

(b) For loans made using money obtained by the department of environmental quality from the federal government under the American Recovery and Reinvestment Act of 2009, Public Law 111-5, the amount of a loan may not exceed $100,000 and the loan must be repaid within 15 years. The department may establish a loan limit of less than $100,000 based on the amount of money received from the federal government and the department's projected number of applications and application amounts."

Section 41. Section 75-25-102, MCA, is amended to read:

"75-25-102. Administration of revolving loan account -- rulemaking authority. (1) The department of environmental quality shall adopt rules establishing:

(a) eligibility criteria, including criteria for defining residences, small businesses, and nonprofit organizations, criteria for defining capital investments for energy conservation purposes, ownership of the alternative energy facility, financial capacity to repay the loans, estimated return on investment in the alternative energy and energy conservation, and other matters that the department considers necessary to ensure repayment of loans and to encourage maximum use of the fund for alternative energy and net metering uses;

(b) processes and procedures for disbursing loans, including the agencies or organizations that are allowed to process the loan application for the department; and

(c) terms and conditions for the loans, including repayment schedules and interest.

(2) The department shall solicit assistance in the development and operation of the program from individuals familiar with financial services and persons knowledgeable in alternative energy systems.

(3) Administrative costs charged to the account may not exceed 10% of the total loans or $23,000 a year, whichever is greater. Legal fees and costs associated with collection of debt on principal are not considered administrative costs.

(4) ~~The loan repayment period may not exceed 10 years.~~ The loans must be made at a low interest rate. The department may set the interest rate at an amount that will cover its administrative costs, but the rate may not be less than 1% a year. The department may seek recovery of the amount of principal loaned in the event of default."

Section 42. Section 90-1-204, MCA, is amended to read:

"90-1-204. Priorities for funding -- rulemaking. (1) The department must receive proposals for grants and loans from local governments. A local government shall work with an economic development organization on a proposal. The department shall work with the local government and the economic development organization in preparing cost estimates for a proposed

project. In reviewing proposals, the department may consult with other state agencies with expertise pertinent to the proposal.

(2) (a) The department shall adopt rules necessary to implement the big sky economic development program. In adopting rules, the department shall look to the rules adopted for the treasure state endowment program and other similar state programs. To the extent feasible, the department shall make the rules compatible with those other programs. To the extent feasible, the department shall employ an approach pertaining to the use of funds so that, except as provided in subsection (2)(b), the needs of rural areas are balanced with the needs of the state's urban centers.

(b) For high-poverty counties, the department shall employ an approach pertaining to the use of funds that is intended to lower poverty levels in the county to a percentage at which the county no longer is defined as a high-poverty county.

(c) The rules must provide for the types of uses of funds available under the big sky economic development program. The types of uses of funds by:

(i) local governments include but are not limited to:

(A) a reduction in the interest rate of a commercial loan for the expansion of a basic sector company;

(B) a grant or low-interest loan for relocation expenses for a basic sector company; and

(C) rental assistance or lease buy-downs for a relocation or expansion project for a basic sector company;

(ii) a certified regional development corporation include:

(A) support for business improvement districts and central business district redevelopment;

(B) industrial development;

(C) feasibility studies;

(D) creation and maintenance of baseline community profiles; and

(E) matching funds for federal funds, including but not limited to brownfields funds and natural resource damage funds.

(d) (i) The rules must provide for distribution methods for financial assistance available to local governments. ~~The~~ Except for local government projects funded in [House Bill No. 645], the rules must provide for distribution based upon the number of jobs expected to be created because of the funding.

(ii) ~~Funding~~ Except for local government projects funded in [House Bill No. 645], funding may not exceed $5,000 for each expected job, except that funding for a project in a high-poverty county may not exceed $7,500 for each expected job.

(iii) ~~The~~ Except for local government projects funded in [House Bill No. 645], the rules must require equal matching funds for a grant or loan, except that the rules for a grant or a loan in a high-poverty county may allow a 50% to 100% match requirement for the high-poverty county.

(e) ~~The~~ Except for local government projects funded in [House Bill No. 645], the rules may provide for greater incentives for a high-poverty county.

(f) ~~The~~ Except for local government projects funded in [House Bill No. 645], the rules must provide for the full or partial repayment of a grant if the new jobs or some of the new jobs for which a grant is given are not created.

(g) ~~A~~ Except for local government projects funded in [House Bill No. 645], a grant or loan may be made only for a new job that has an average weekly wage that meets or exceeds the current average weekly wage of the county in which the employees are to be principally employed."

Section 43. Allocation of bonding limits -- American Recovery and Reinvestment Act of 2009. Unless the regulations adopted by the United States secretary of the treasury specify otherwise:

(1) the office of public instruction is responsible for allocating the state's share of qualified school construction bonds as authorized in section 1521 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and the state's allocated share of qualified zone academy bonds as authorized in section 54E of the Internal Revenue Code, 26 U.S.C. 54E;

(2) the department of administration is responsible for allocating the state's share of qualified energy conservation bonds as authorized in section 54D of the Internal Revenue Code 26 U.S.C. 54D, as amended by section 1112 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5; and

(3) the department of administration, in consultation with the department of commerce, is responsible for allocating the state's share of recovery zone economic development bonds and recovery zone facility bonds, as authorized in section 1401 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

Section 44. Tax credit bonds. (1) As used in this section, "tax credit bond" means any general obligation bond, impact aid revenue bond, special improvement district bond, revenue bond, industrial development bond, tax increment bond, or any other bond of the state or a political subdivision that has been duly authorized and is eligible for designation as and has been designated as a qualified tax credit bond under section 54A, section 54D, section 54E, section 54F, or section 54AA of the Internal Revenue Code, 26 U.S.C. 54A, 54D, 54E, 54F, or 54AA.

(2) Any bond issued as a tax credit bond may be issued and sold at public or private sale, may be payable and mature as to principal and interest, if any, on any date or dates, may be subject to redemption in whole or in part as determined by the governing body of the issuer, and may have other terms and conditions that the issuer considers to be necessary and appropriate.

(3) The governing body of the issuer of any tax credit bond is authorized to enter into agreements and make covenants that may be necessary to provide for the sale and security of the bond, including investment of funds and accounts to repay the bond.

Section 45. Recovery zone economic development bonds and recovery zone facility bonds. (1) Subject to the conditions and provisions contained in the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and the availability of allocation as determined in [section 43], cities and counties are authorized to designate economic recovery zones and

issue recovery zone economic development bonds and recovery zone facility bonds to finance the costs of recovery zone projects and facilities eligible under the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

(2) The bonds must be authorized by the governing body of the city or county in accordance with the applicable provisions of Montana law, unless otherwise provided in [section 44]. The governing body is authorized to enter into agreements and make covenants that may be necessary to provide for the sale and security of the bonds, subject to the following limitations:

(a) if the bonds that are issued under this section pledge the city's or county's credit or taxing power, they must be authorized in accordance with the provisions of Title 7, chapter 7, part 22 or 42, as appropriate;

(b) if the bonds are payable from and secured solely by the revenue from a governmentally owned and operated facility or undertaking, they must be authorized in accordance with the provisions of Title 7, chapter 7, part 44;

(c) if the bonds are payable from special assessments levied against benefited property, the project must be eligible for special assessment financing and must be authorized in accordance with the provisions of Title 7, chapter 12, part 21 or parts 41 and 42, as appropriate;

(d) if the bonds are payable from tax increment revenue, the project to be financed must be eligible for tax increment financing and the project must be approved and the bonds must be authorized in accordance with the provisions of Title 7, chapter 15, parts 42 and 43;

(e) if the bonds are industrial development revenue bonds of the issuer, the bonds must be authorized in accordance with the provisions of Title 90, chapter 5, part 1.

Section 46. Qualified energy conservation bonds. (1) Subject to the conditions and provisions contained in section 54D of the Internal Revenue Code, 26 U.S.C. 54D, as amended by the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and the availability of an allocation, cities and counties are authorized to issue qualified energy conservation bonds to finance projects for qualified energy conservation purposes and are authorized to undertake the qualified energy conservation purposes and programs within the meaning of the section 54D of the Internal Revenue Code, 26 U.S.C. 54D, as amended by the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

(2) The bonds must be authorized by the governing body of the city or county in accordance with the provisions of applicable Montana law, except as otherwise provided in [section 44]. The governing body is authorized to enter into agreements and make covenants that may be necessary to provide for the sale and security of the bonds, subject to the following limitations:

(a) if the bonds that are to be issued under this section pledge the city's or county's credit or taxing power, they must be authorized in accordance with the provisions of Title 7, chapter 7, part 22 or 42, as appropriate;

(b) if the bonds to be issued under this section are payable from and secured solely by the revenue derived or generated from a qualified energy conservation program or project, they must be authorized in accordance with the provisions of Title 7, chapter 7, part 44;

(c) if the bonds are payable from special assessments levied against benefited property, the project must be eligible for special assessment financing and must be authorized in

accordance with the provisions of Title 7, chapter 12, part 21 or parts 41 and 42, as appropriate;

(d) if the bonds are payable from tax increment revenue, the project to be financed must be eligible for tax increment financing and the project must be approved and the bonds must be authorized in accordance with the provisions of Title 7, chapter 15, parts 42 and 43;

(e) if the bonds are industrial development revenue bonds of the issuer, the bonds must be authorized in accordance with the provisions of Title 90, chapter 5, part 1.

Section 47. Section 90-5-101, MCA, is amended to read:

"90-5-101. Definitions. As used in this part, unless the context otherwise requires, the following definitions apply:

(1) "Agricultural enterprises" includes but is not limited to producing, warehousing, storing, fattening, treating, handling, distributing, or selling farm products or livestock.

(2) "Bonds" means bonds, refunding bonds, notes, or other obligations issued by a municipality or county under the authority of this part, including without limitation short-term bonds or notes issued in anticipation of the issuance of long-term bonds or notes.

(3) "Electric energy generation facility" means any combination of a physically connected generator or generators, associated prime movers, and other associated property and transmission facilities and upgrades and improvements of transmission facilities, including appurtenant land and improvements and personal property, that are normally operated together to produce and transfer electric power. The term includes but is not limited to generating facilities that produce and transfer electricity from coal-fired steam turbines, oil or gas turbines, wind turbines, solar power sources, fuel cells, or turbine generators that are driven by falling water.

(4) "Family services provider" means organizations, including nonprofit corporations, that provide human services for children and adults, including but not limited to early care services for children, youth services, health services, social services, habilitative services, rehabilitative services, preventive care, and supportive services, and training, educational, and referral activities in support of human services.

(5) "Governing body" means the board or body in which the general legislative powers of the municipality or county are vested.

(6) "Higher education facilities" means any real or personal properties required or useful for the operation of an institution of higher education.

(7) "Institution of higher education" means any private, nonprofit corporation or institution within the state of Montana:

(a) authorized to provide or operate educational facilities; and

(b) providing a program of education beyond the high school level.

(8) "Mortgage" means a mortgage or deed of trust or other security device.

(9) "Municipality" means any incorporated city or town in the state.

(10) "Project" means:

(a) any land~~;~~, any building or other improvement~~;~~, and any other real or personal ~~properties~~ property considered necessary in connection with the improvement, whether or not now in existence, that must be suitable for use for commercial, manufacturing, agricultural, or industrial enterprises;

(b) recreation or tourist facilities;

(c) local, state, and federal governmental facilities;

(d) multifamily housing, hospitals, long-term care facilities, community-based facilities for individuals who are persons with developmental disabilities as defined in 53-20-102, or medical facilities;

(e) higher education facilities;

(f) electric energy generation facilities;

(g) family services provider facilities;

(h) any facilities that are used or considered necessary to create or produce any intangible item, as defined in section 197(d)(1)(C)(iii) of the Internal Revenue Code, 26 U.S.C. 197(d)(1)(C)(iii), including any patent, copyright, formula, process, design, pattern, knowledge, format, or other similar intangible item;

(i) the production of energy using an alternative renewable energy source as defined in 15-6-225; and

(j) any combination of ~~these~~ projects in subsections (10)(a) through (10)(i)."

Section 48. Section 90-5-103, MCA, is amended to read:

"90-5-103. Limited obligation bonds -- form and contents -- sale -- negotiability -- filing. (1) All bonds issued by a municipality or county under the authority of this part must be limited obligations of the municipality or county. Bonds and interest coupons issued under the authority of this part may not constitute or give rise to a pecuniary liability of the municipality or county or a charge against its general credit or taxing powers. This limitation must be plainly stated upon the face of each of the bonds.

(2) The bonds referred to in subsection (1) may be executed and delivered at any time and from time to time, be in form and denominations, be of tenor, be in registered or bearer form either as to principal or interest, or both, be payable in installments and at a time or times not exceeding 40 years from the bonds date, be payable at a place or places, bear interest at a rate or rates, be evidenced in a manner, be redeemable prior to maturity, with or without premium, and contain provisions not inconsistent with this part as considered in the best interest of the municipality or county and provided for in the proceedings of the governing body under whose authority the bonds must be authorized to be issued.

(3) Any bonds issued under the authority of this part may be sold at public or private sale in a manner, at a time or times, and at a price above or below par as may be agreed upon by the lessee of the project or the borrower of the funds. The municipality or county may pay all expenses, premiums, and commissions that the governing body may consider necessary or advantageous in connection with the authorization, sale, and issuance of the bonds from the proceeds of the sale of the bonds or from the revenue of the projects.

(4) All bonds issued under the authority of this part and all interest coupons applicable to the bonds must be construed to be negotiable instruments despite the fact that they are payable solely from a specified source.

(5) All bonds issued under the authority of this part must be filed with the securities commissioner within 10 days of the date of their issue. The filing must include the name of the issuing authority, the name and address of the person or entity on whose behalf the bonds are issued, the amount of the bond issue, the date of the bond issue, and any other information that the securities commissioner may request. Failure to comply with this section does not affect the validity of the bond issue.

(6) If applicable, the governing body of the municipality or county shall specify whether the bonds are tax credit bonds as provided in [section 44], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 45], or qualified energy conservation bonds as provided in [section 46]."

Section 49. Section 90-7-102, MCA, is amended to read:

"90-7-102. Definitions. As used in this chapter, unless the context requires otherwise, the following definitions apply:

(1) "Authority" means the Montana facility finance authority created in 2-15-1815.

(2) "Capital reserve account" means the account established in 90-7-317.

(3) "Costs" means costs allowed under 90-7-103.

(4) "Eligible facility" means any eligible facility as defined in 90-7-104.

(5) (a) "Institution" means any public or private:

(i) nonprofit hospital, corporation, or other organization authorized to provide or operate an eligible facility in this state; ~~or~~

(ii) nonprofit prerelease center, corporation, or other organization authorized to operate a prerelease center in this state; or

(iii) for-profit or nonprofit corporation or other organization authorized to provide for or to operate a project or a facility with qualified small issue bond financing pursuant to section 144(a) of the Internal Revenue Code, 26 U.S.C. 144(a).

(b) The term also includes the following, provided that the entity is a nonprofit entity or is controlled by one or more nonprofit entities:

(i) a network of health care providers, regardless of how it is organized;

(ii) an integrated health care delivery system;

(iii) a joint venture or partnership between or among health care providers;

(iv) a purchasing alliance composed of health care providers;

(v) any health insurers and third-party administrators that are participants in a system, network, joint venture, or partnership that provides health services through one or more health

facilities.

(6) "Participating institution" means an institution that undertakes the financing, refunding, or refinancing of obligations on the construction or acquisition of an eligible facility pursuant to the provisions of this chapter.

(7) "Revenue" means, with respect to eligible facilities, the rents, fees, charges, interest, principal repayments, and other income received or to be received by the authority from any source on account of the eligible facilities."

Section 50. Section 90-7-104, MCA, is amended to read:

"90-7-104. Eligible facility. (1) The term "eligible facility" means any structure or building suitable for use as:

(a) a hospital, clinic, nursing home, or other health care facility as defined in 50-5-101;

(b) a public health center, as defined in 7-34-2102;

(c) a facility for persons with disabilities;

(d) a chemical dependency treatment facility;

(e) a nursing school;

(f) a medical teaching facility;

(g) a laboratory;

(h) a dental care facility;

(i) a prerelease center;

(j) a diagnostic, treatment, or surgical center;

(k) a facility providing services for the elderly; ~~or~~

(l) applicable to a project or a facility with qualified small issue bond financing pursuant to section 144(a) of the Internal Revenue Code, 26 U.S.C. 144(a); or

~~(l)~~(m) a structure or facility related to any of the uses enumerated in subsections (1)(a) through ~~(1)(k)~~ (1)(l) or required or useful for the operation of an eligible facility. These related facilities include supporting service structures and all necessary, useful, and related equipment, furnishings, and appurtenances and include without limitation the acquisition, preparation, and development of all lands and real and personal property necessary or convenient as a site for any of the uses enumerated in subsections (1)(a) through ~~(1)(k)~~ (1)(l).

(2) An eligible facility does not include:

(a) items such as food, fuel, supplies, or other items that are customarily considered as current operating expenses; and

(b) a structure used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship."

Section 51. Taxation of projects. (1) Regardless of whether the title to a project is held by the authority or a trustee acting for the authority, if the project is being financed by the authority on behalf of a for-profit corporation or other organization, the project is subject to taxation to the same extent, in the same manner, and under the same procedures as privately owned property in similar circumstances if the project is leased to or held by private interests on both the assessment date and the date the county commissioners set the mill levies in any year. The project is not subject to taxation in any year during which it is not leased to or held by private interests on both the assessment date and the date the county commissioners set the mill levy.

(2) When personal property owned by the authority or a trustee acting for the authority is taxed under this section and the personal property taxes on the personal property are delinquent, levy by warrant for distraint for collection of the delinquent taxes may be made only on the personal property against which the taxes were levied.

Section 52. Procedure prior to financing certain projects. (1) In addition to meeting the other requirements contained in this chapter or in state or federal law, the requirements of subsections (2) through (4) must be met before financing is provided for a project described in 90-7-104(1)(l).

(2) The authority shall find that the financing is in the public interest. In order to determine whether or not the financing is in the public interest, a public hearing must be conducted in the following manner:

(a) the city or county in which the project will be located must be notified, and the city and county shall, within 14 days after receipt of the notice, notify the board if it elects to conduct the hearing; or

(b) if a request for a local hearing is not received by the authority within 14 days after the notification in subsection (2)(a), the authority may hold the hearing at a time and place it determines.

(3) Notice of the hearing must be published at least once a week for 2 weeks prior to the date set for the hearing by publication in a newspaper of general circulation in the city or county where the hearing will be held and the project will be located. The notice must include the time and place of the hearing, a general description of the nature and location of the project, the name of the lessee, borrower, or user of the project and the maximum principal amount of the financing to be provided by the authority.

(4) If the hearing required by subsection (2) is conducted by a local government, the governing body of the local government shall notify the authority of its determination of whether the financing is in the public interest within 14 days after the completion of the public hearing.

Section 53. Earnings -- statutory appropriation. If the federal government directs that funds received under the American Recovery and Reinvestment Act of 2009, Public Law 111-5, must be invested and that the earnings must be expended for the same purpose as the funds generating the earnings, then the earnings are statutorily appropriated, as provided in

17-7-502, for the same purpose as the funds generating the earnings.

Section 54. Dissemination of information -- reporting and accountability. The office of the governor shall develop and maintain a website to serve as the official website for the state of Montana for implementing the reporting and accountability requirements of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. The office shall develop requirements for reporting and posting information to the website, and these requirements are applicable to any recipient of funds from an appropriation in House Bill No. 645.

Section 55. Distressed wood products industry recovery program -- findings -- loans and grants -- rulemaking. (1) Due to the current, well-documented decline in the wood products industry in Montana, the legislature finds that there is a need to assist the Montana wood products industry as a whole through a multifaceted and integrally related grant and loan program.

(2) Businesses that may be eligible under the program for loans, grants, or loans and grants include but are not limited to sawmills, plywood plants, paper and linerboard manufacturers, bark and byproducts-related businesses, round wood producers, wood chip processors, loggers, log haulers, biochar and biomass producers, and other innovative manufacturers and processors of wood products.

(3) (a) The department of commerce shall use money appropriated for the distressed wood products industry to implement the program.

(b) Money appropriated to the department of commerce may be used by the department to, among other things:

(i) provide state matching funds to federal agencies to create loan or grant programs that will benefit the types of businesses listed in subsection (2), including the commingling of appropriated funds with federal funds as needed to meet federal regulations and grant requirements; and

(ii) provide loans, grants, or both loans and grants to the types of businesses listed in subsection (2).

(c) Repayments of loans to the department of commerce may be used by the department as revolving loan funds for primary sector business throughout the state.

(4) The department of commerce may adopt rules necessary to implement the program. Rules adopted by the department must be based upon similar finance programs administered by the department and must include:

(a) sufficient business plan and financial information to allow a reasonable determination regarding the potential feasibility of the business to create and retain jobs and, in the case of loans, to make repayments to the department;

(b) annual information from each assisted business for the term of the grant or loan agreement regarding jobs created and retained, pay levels, financial status, and reports on overall project activities; and

(c) loan and grant amounts for each job, funding limits, and matching fund requirements.

Section 56. Rulemaking. The department of commerce may adopt rules to implement the broadband mapping program funded in [House Bill No. 645].

Section 57. Distribution of local government, tribal government, and school funds. (1) Of the $45 million appropriated to the department of commerce for distribution to local governments, tribal governments, and school districts in [section 85], $10 million must be allocated to Montana counties, $10 million must be allocated to Montana cities and towns, and $5 million must be allocated to tribal governments. The department may retain 1.13% of the amount of the grants to counties, cities, towns, tribal governments, and school districts for administrative purposes. The distributions to tribal governments must be made available through the state-tribal economic development commission as provided in 90-1-130 through 90-1-135. The commission shall provide funding for projects that are available for immediate commencement to improve infrastructure or improve energy efficiency. The funds are intended to be allocated to complete priority projects as determined by the appropriate tribal government, but each tribe must be allocated at least $200,000. The funds appropriated to the department of commerce for local governments must be distributed pursuant to Title 90, chapter 1, part 2. The funds allocated to local governments must be distributed as follows:

(a) each county must receive $100,000 plus the proportional share of the funds remaining from the $10 million based upon a blending of the distribution formulas contained in 15-70-101(2)(b) and (3); and

(b) each city and town must receive $5,000 plus a proportional share of the funds remaining from the $10 million. The proportional share is calculated by allocating 50% of the remaining funds to each city and town based upon the distribution formula in 15-70-101(2)(c) and 50% of the remaining funds to each city and town based upon the percentage that the population of each city or town bears to the total population of all cities and towns.

(2) Funds received by a county, city, or town pursuant to subsection (1) may be used for:

(a) the following county projects: Beaverhead, county courthouse repair; Big Horn, Little Horn road reconstruction; Blaine, county building improvements; Broadwater, county road chip seal; Carbon, West Fork road expansion; Carter, gravel crushing; Cascade, county building energy performance contract; Chouteau, county road repair and reconstruction; Custer, county road and buildings, including Silo Loop road, Pine Hills improvement, and county building repair and remodel; Daniels, county road gravel screening/crushing; Dawson, county building repair/remodel/construction; Deer Lodge, street light renovation; Fallon, county road and parks shop building; Fergus, Scott Crossing bridge replacement; Flathead, Mennonite Church and Creston roads construction; Gallatin, fairgrounds restroom construction and replacement; Garfield, county building heating/cooling system replacement; Glacier, Glacier County jail/detention center; Golden Valley, fire hall and roads; Granite, Metesch Lane bridge replacement; Hill, Sheppard and Bulhook roads pavement overlay; Jefferson, Boulder south campus sewer replacement; Judith Basin, replace Arrow Creek and Judith River bridge; Lake, South Valley Creek bridge replacement, Skyline bridge repair, and courthouse weatherization; Lewis and Clark, Lewis and Clark County fairgrounds plaza; Liberty, Liberty senior center; Lincoln, Tobacco Valley industrial park infrastructure improvements and Kootenai business park improvements; Madison, Madison County office renovation and bridge improvement projects; McCone, geothermal heat loop courthouse retrofit; Meagher, county building energy efficiency and handicap accessability updates;

Mineral, Mineral County jail and courthouse restoration and repair; Missoula, Big Flat road reconstruction; Musselshell, Goffena bridge replacement; Park, 9th Street bridge replacement; Petroleum, courthouse windows, Dovetail Creek crossing, and Petroleum County road upgrade; Phillips, courthouse parking lot and sidewalk projects; Pondera, Pondera County community and senior center remodel; Powder River, Powder River County fire hall; Powell, energy efficient windows and boiler for county courthouse; Prairie, county fairgrounds grandstand replacement and Terry park facilities renovation; Ravalli, Ambrose Creek road pavement preservation; Richland, Spring Lake road reconstruction; Roosevelt, energy efficient courthouse windows project; Rosebud, Ingomar water and sewer project and Forsyth library elevator project; Sanders, high bridge reconstruction; Sheridan, county road gravel and engineering, county road gravel crushing, Plentywood bypass route; Silver Bow, county road repair and maintenance; Stillwater, county courthouse and bridge; Sweet Grass, Pioneer medical center renovation; Teton, county nursing home and county road gravel; Toole, energy efficient lighting for Toole County hospital; Treasure, county building renovations; Valley, Valley County detention center addition; Wheatland, county road shop and Harlowtown fire hall; Wibaux, county fairgrounds exhibit building; Yellowstone, Clapper Flat and Vandaveer roads and courthouse remodel; and

(b) the following city and town projects: Alberton, street repairs and paving; Anaconda-Deer Lodge, street light renovation; Bainville, Simard Park improvements -- sprinkler systems and sidewalks; Baker, storm drain installation on South Montana 7 and Secondary 322; Bearcreek, town hall renovation and repairs; Belgrade, street intersection reconstruction and sidewalk extension; Belt, replace concrete water storage tank; Big Sandy, sewer main replacement and resurface Johannnes Avenue; Big Timber, Anderson Street asphalt overlay project; Billings, reconstruction of Alkali Creek Road; Boulder, water system treatment project; Bozeman, water system treatment project, water reclamation facility -- water treatment plant design, recreation facility improvements, sidewalks and restroom upgrades in parks, and debris removal; Bridger, street and sidewalk repairs; Broadus, addition to city hall for police department and sewer lagoon repairs; Broadview, general repairs and maintenance; Brockton, wastewater system repairs and street and alley repairs; Browning, new fire hall; Butte-Silver Bow, road repairs and maintenance; Cascade, one block sewer main replacement; Chester, chip seal town streets; Chinook, city hall repair and improvements and paint armory building; Choteau, city hall-fire station remodel and replace unit heaters in Pavilion building; Circle, purchase street patcher equipment and sewer treatment plant; Clyde Park, construction of Lathrop Street; Colstrip, Orchard lift station replacement; Columbia Falls, street construction and improvements; Columbus, replace curb, gutter, and sidewalk on Pike Avenue; Conrad, replace hydrants and valves and overlay Dakota Street; Culbertson, architecture design of new fire hall; Cut Bank, final engineering and design work for Railroad Street; Darby, water system improvement project; Deer Lodge, phase 1 sewer rehabilitation collection system; Denton, water-sewer upgrades, building repairs, and street repairs; Dillon, Glendale street project; Dodson, street repairs; Drummond, street repairs and park maintenance; Dutton, city park improvements; East Helena, renovate city hall; Ekalaka, bridge and street repair; Ennis, town hall expansion and remodel project; Eureka, repair main arterial road; Fairfield, design and erect new fire hall, televise sewer lines, and replace hydrants; Fairview, park bathrooms renovation; Flaxville, water storage tank repairs; Forsyth, water storage tank and water works repairs; Fort Benton, chip seal city streets, U.S. highway 87 repairs, and airport runway improvements; Fort Peck, replace aging fire hydrants; Froid, water storage reservoir replacement; Fromberg, street and sidewalk repairs; Geraldine, main sewer line extension; Glasgow, rehabilitate southside lift station; Glendive, street reconstruction; Grass Range, water, sewer, and street repairs; Great Falls, West Bank street and right-of-way improvement and civic center roof repair; Hamilton, Tenth street reconstruction; Hardin, new fire hall; Harlem, city hall renovation and weatherization and street maintenance; Harlowton, replace sidewalks and install handicapped curbs; Havre, new lift station and recoat concrete water tank; Helena,

Centennial Park trail system construction; Hingham, sewer project, street and sidewalk repairs, and fire hydrants; Hobson, extend water to boulevard on Main Street; Hot Springs, remodel fire hall and repair streets; Hysham, overlay town streets; Ismay, general repairs and maintenance; Joliet, sewer and water improvements; Jordan, improve existing streets; Judith Gap, Fourth Avenue street improvements; Kalispell, street projects; Kevin, drainage, culvert, and road repairs; Laurel, open ditch mitigation near middle school; Lavina, install new water system; Lewistown, chip seal streets; Libby, sewer main extension to Cabinet Heights; Lima, regravel streets and park shelter; Livingston, safety and building repairs to Sacajawea Park and repairs to sidewalks and streets; Lodge Grass, sewer lagoon; Malta, water and sewer line repairs and maintenance and street paving and repairs; Manhattan, sidewalk extensions, repairs, and maintenance; Medicine Lake, sewer lagoon maintenance, water tower, and waterworks repairs; Melstone, install fire hydrants, water and sewer installation to community center, and sidewalks, curbs, and gutters; Miles City, stormwater system sediment removal and debris removal; Missoula, ADA sidewalk ramps and North Higgins streetscape; Moore, street repairs and capital improvements; Nashua, sewer and water main replacements; Neihart, streets and capital improvements; Opheim, water system and general repairs; Outlook, connect water system to new well; Philipsburg, replace water and sewer lines; Pinesdale, capital improvements and repairs; Plains, city hall renovations including ADA bathrooms and furnace and air conditioning; Plentywood, engineering study of wastewater treatment system, replace sidewalk at city hall and add gutter system, and chip seal streets; Plevna, culvert and drainage improvements and chip seal streets; Polson, Riverside water main replacement; Poplar, street repairs after water line installation; Red Lodge, roof repairs on city hall and police station; Rexford, community center siding and repairs; Richey, road repairs and maintenance; Ronan, repair and overlay Third Avenue Northwest; Roundup, curbs, gutters, and sidewalks on Second Avenue East; Ryegate, city park improvements; Saco, street repairs and maintenance; Saint Ignatius, street paving and pedestrian path and other park repairs; Scobey, weatherize city hall; Shelby, street repairs; Sheridan, street repairs and maintenance; Sidney, Twenty-Second Avenue Northwest reconstruction; Stanford, street intersection improvements and replacements; Stevensville, repair and replace roof on town hall complex building; Sunburst, resurface streets, ADA curbs and gutters, and other street repair; Superior, water construction phase II, street repairs, and renovate park buildings; Terry, park improvements; Thompson Falls, street repairs and replace water meters with radio read meters; Three Forks, pave streets and equip parks and recreation facilities; Townsend, Broadway sidewalk replacement; Troy, city hall restoration; Twin Bridges, public walking path connecting parks; Valier, install water tank, new water meters, and water lines and trunks; Virginia City, remodel and relocate city hall; Walkerville, street improvements; West Yellowstone, wastewater improvements; Westby, resurface streets; White Sulphur Springs, patch and repair city streets; Whitefish, new emergency services building; Whitehall, new ambulance building, wastewater improvements, and debris removal; Wibaux, remodel park bathroom as handicapped accessible; Winifred, drainage projects; Winnett, street drainage improvements; Wolf Point, gate valve and hydrant replacement; or

(c) projects approved by the department of commerce for the following purposes:

(i) designing, erecting, repairing, and remodeling public buildings or making energy efficiency improvements to public buildings;

(ii) designing, constructing, and repairing sewers, storm sewers, sewage treatment and disposal plants, waterworks, and reservoirs;

(iii) designing, constructing, and repairing bridges, docks, wharves, breakwaters, and piers;

(iv) designing, constructing, reconstructing, improving, maintaining, and repairing roads;

(v) acquiring, opening, or widening any street and improving the street by designing, constructing, reconstructing, and repairing pavement, gutters, sidewalks, curbs, and vehicle parking strips;

(vi) designing, building, renovating, and equipping parks and other recreation facilities; and

(vii) installing street lighting.

(3) The governing body of a county, city, or town may choose to propose to the department of commerce an alternate project to those listed in subsections (2)(a) and (2)(b) based on the criteria in subsection (2)(c). If the alternate project meets the criteria in subsection (2)(c), the department shall approve the project.

(4) The department of commerce shall distribute $20 million of the appropriation for Distribution to School Districts and Local and Tribal Governments to school districts based upon the formula for distributing the quality educator payment provided for in 20-9-327. A school district shall use the funds received pursuant to this section for deferred maintenance on school facilities and for making energy efficiency improvements.

(5) A recipient of funds under this section must expend the funds by September 30, 2010. Unexpended funds must revert to the state and be deposited in the state general fund. The department of commerce shall disburse the funds to recipients as quickly as possible.

Section 58. Quick start energy grants. (1) There is a quick start energy program within the department of commerce for quick start energy efficiency improvement grants to public school districts for projects that provide long-term, cost-effective benefits to school facilities.

(2) A public school district may submit an application to the department of commerce for quick start energy efficiency improvement grant funding for:

(a) an energy audit or evaluation of the potential for energy savings in a school facility by a prequalified energy auditor; or

(b) energy efficiency improvements that are based on an energy audit or evaluation and that are expected to achieve measurable energy efficiency to a school facility and cost savings to the public school district.

(3) In awarding grants under this section, the department of commerce shall consider the potential for energy savings in a public school facility based on the age, energy use, function, and condition of the building. The department shall give priority to schools operating out of temporary facilities.

(4) The department of commerce may consult with the department of environmental quality and the architecture and engineering division of the department of administration in the review and evaluation of quick start grant applications.

(5) The department of commerce shall distribute quick start energy program funds on a reimbursement basis from May 15, 2009, until September 30, 2009. Any quick start funds not obligated under this section for reimbursement to a public school district by September 30, 2009, must be used as provided in [section 85] for the School Facilities Program Administration and Grants line item appropriation.

(6) The department of commerce shall collect information regarding the cost savings to public school districts that make energy efficiency improvements based on grant funding received under subsection (2)(b).

(7) The department of commerce shall consult with the office of public instruction on the disbursement of quick start grants and shall make every attempt to accommodate large schools, small schools, urban schools, and rural schools.

(8) Quick start grants made under this program are subject to review by the legislative finance committee.

Section 59. Energy development and demonstration grant program. (1) There is an energy development and demonstration grant program within the department of environmental quality to fund technology development and demonstration:

(a) advancing the development and utilization of energy storage systems, including but not limited to mediums, such as accumulators, fuel cells, and batteries, that store energy that may be drawn upon at a later date for use;

(b) developing storage systems specifically designed to store energy generated from eligible renewable resources as defined in 69-3-2003, including but not limited to compressed air energy storage systems;

(c) promoting the efficiency, environmental performance, and cost-competitiveness of energy storage systems beyond the current level of technology; and

(d) advancing the development of alternative energy systems as defined in 15-32-102.

(2) Entities that may be eligible for grants include but are not limited to units of the Montana university system, agricultural research centers, or private entities or research centers.

(3) Money appropriated to the department of environmental quality for the purpose of the energy development and demonstration grant program may be used by the department for providing individual grants in amounts up to $500,000 and for administrative costs of 1% of the grant award.

(4) The grant application may include:

(a) a project plan sufficient to allow a reasonable determination regarding the potential feasibility of advancing energy storage or alternative energy systems;

(b) a business plan to allow a reasonable determination regarding the financial feasibility of the project; and

(c) a reporting process to ensure progress toward project goals.

~~**Section 60. Welcome home loan program.** The department of commerce shall develop a mortgage loan program to assist first-time home buyers with down payment and closing costs. The program must provide for lending institutions to make short-term loans of $5,000 to qualified first-time home buyers. The loans must be paid by June 30, 2010. The department may require the home buyer to pledge federal tax credits to the loan repayment.~~

~~**Section 61. Contingent loan acquisition account -- fund transfer.** (1) There is a contingent loan acquisition account in the state special revenue fund. The amount of $2 million is transferred from the state general fund to the account.~~

~~(2) The board of housing may use money in the account to purchase loans made under [section 60] that are not paid by June 30, 2010. Money remaining in the account on August 1, 2010, must revert to the general fund.~~

Section 62. Fund transfer. There is transferred $300,000 from the state general fund to the senior citizen and persons with disabilities transportation services account.

Section 63. Allocation and distribution of increased state support for schools. The superintendent of public instruction shall allocate and distribute the funds appropriated in [section 85] for Increase State Support for Schools With Education Stabilization Funds as follows:

(1) for fiscal year 2010:

(a) recalculate the basic entitlement and per-ANB entitlement by multiplying the basic entitlement and per-ANB entitlement for fiscal year 2010 in 20-9-306 by 1.02;

(b) calculate the BASE budget, maximum general fund budget, direct state aid, and guaranteed tax base aid for each school district using the recalculated basic and per-ANB entitlements; and

(c) distribute K-12 BASE aid to school districts in accordance with the payment schedule in 20-9-344 from the appropriations in House Bill No. 2 and [this act]; and

(2) for fiscal year 2011:

(a) recalculate the basic entitlement and per-ANB entitlement by multiplying the basic entitlement and per-ANB entitlement for fiscal year 2011 in 20-9-306 by 1.02;

(b) calculate the BASE budget, maximum general fund budget, direct state aid, and guaranteed tax base aid for each school district using the recalculated basic and per-ANB entitlements; and

(c) distribute K-12 BASE aid to school districts in accordance with the payment schedule in 20-9-344 from the appropriations in House Bill No. 2 and [this act].

Section 64. Section 20, Chapter 390, Laws of 2003, is amended to read:

"**Section 20. Termination.** [This act] terminates June 30, ~~2005~~ 2011."

Section 65. Section 4, Chapter 606, Laws of 2005, is amended to read:

"**Section 4.** Section 20, Chapter 390, Laws of 2003, is amended to read:

"**Section 20. Termination.** [This act] terminates June 30, ~~2005~~ ~~2007~~ 2011.""

Section 66. Section 7, Chapter 606, Laws of 2005, is amended to read:

"**Section 7. Termination.** [This act] terminates June 30, ~~2007~~ 2011."

Section 67. Section 4, Chapter 517, Laws of 2007, is amended to read:

"**Section 4.** Section 20, Chapter 390, Laws of 2003, is amended to read:

"**Section 20. Termination.** [This act] terminates June 30, ~~2005~~ ~~2009~~ 2011.""

Section 68. Section 5, Chapter 517, Laws of 2007, is amended to read:

"**Section 5.** Section 4, Chapter 606, Laws of 2005, is amended to read:

"**Section 4.** Section 20, Chapter 390, Laws of 2003, is amended to read:

"**Section 20. Termination.** [This act] terminates June 30, ~~2005~~ ~~2007~~ ~~2009~~ 2011."""

Section 69. Section 6, Chapter 517, Laws of 2007, is amended to read:

"**Section 6.** Section 7, Chapter 606, Laws of 2005, is amended to read:

"**Section 7. Termination.** [This act] terminates June 30, ~~2007~~ ~~2009~~ 2011.""

Section 70. Section 8, Chapter 517, Laws of 2007, is amended to read:

"**Section 8. Termination.** [Sections 1 through 3] terminate June 30, ~~2009~~ 2011."

Section 71. Section 9-B, items 4b and 10, Chapter 5, Special Laws of May 2007, is amended to read:

Fiscal 2008 Fiscal 2009

General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
"4.	Child Support Enforcement Division (05)										
b.	Child Support Deficit Reduction Act (Restricted/OTO)										
1,620,765	0	0	0	0	1,620,765	~~2,154,589~~	0	0	0	0	~~2,154,589~~
						507,675	0	0	0	0	507,675
10.	Health Resources Division (11)										
123,698,117	19,947,092	341,190,786	0	0	484,835,995	~~134,719,465~~	19,749,092	367,644,813	0	0	~~522,113,370~~
						85,719,465					473,113,370
a.	Health Resources Division Administration/Reporting										
232,550	12,726	281,657	0	0	526,933	234,655	12,841	284,208	0	0	531,704
b.	Direct Care Worker Wage Increase (Restricted)										
18,036	300,000	695,142	0	0	1,013,178	19,050	300,000	694,128	0	0	1,013,178
c.	Provider Rate Increase (Restricted)										
0	1,620,277	2,100,682	0	0	3,720,959	1,222,681	1,646,566	4,247,683	0	0	7,116,930
d.	Hospital Utilization Fee (Restricted)										
0	17,503,843	38,222,192	0	0	55,726,035	0	20,324,595	44,183,150	0	0	64,507,745
e.	Family Planning Waiver (OTO)										
348,297	0	2,743,296	0	0	3,091,593	347,669	0	2,742,669	0	0	3,090,338
f.	Prescription Drug Discount Program (Restricted)										
0	1,389,441	0	0	0	1,389,441	0	2,037,846	0	0	0	2,037,846
g.	Equalize Campus-Based Rates (Restricted)										
23,785	0	69,943	0	0	93,728	54,261	0	159,558	0	0	213,819
h.	Raise Physician Reimbursement (Restricted)										

0	0	0	0	0	0	520,306	0	1,522,928	0	0	2,043,234
i.	Medicaid Eligibility for Pregnant Women to 150% (Restricted)										
0	943,117	2,061,397	0	0	3,004,514	0	1,216,532	2,646,701	0	0	3,863,233
j.	Revise Medically Needy Income Level (Restricted)										
371,647	0	1,092,864	0	0	1,464,511	743,295	0	2,175,611	0	0	2,918,906
k.	Big Sky Rx Premium Assistance (Restricted/Biennial)										
0	9,674,920	0	0	0	9,674,920	0	0	0	0	0	0

The department may allocate the reduction of funds in the Health Resources Division among programs and line items that contain medicaid or Title IV-E funding."

Section 72. Coordination instruction. (1) Subject to subsection (2), if House Bill No. 2 is passed and approved and if [this act] appropriates funds:

(a) to the department of commerce for:

(i) Indian country economic development in the amount of $1,596,992, then the general fund appropriation for that purpose in House Bill No. 2 is void;

(ii) high-performance computing in the amount of $2,000,000, then the general fund appropriation for that purpose in House Bill No. 2 is void;

(iii) the energy promotion and development division in the amount of $910,000, then the general fund appropriation for that purpose in House Bill No. 2 is void; and

(iv) the Montana main street program in the amount of $250,000, then the general fund appropriation for that purpose in House Bill No. 2 is void;

(b) to the office of public instruction for Stabilization Funding for K-12 Education, then the general fund appropriation for BASE aid in House Bill No. 2 is reduced by $14,613,477 in FY 2010 and $25,779,699 in FY 2011;

(c) to office of the commissioner of higher education for appropriation distribution transfers, then the general fund appropriation for that purpose in House Bill No. 2 is reduced by $29,762,223 in FY 2010 and$29,762,224 in FY 2011; and

(d) to the office of the commissioner of higher education for Replace 6-Mill Levy Revenue Shortfall With Federal General Stabilization Funds, then the state special revenue fund appropriation in House Bill No. 2 is reduced by $1,447,296 in fiscal year 2010 and $1,046,625 in fiscal year 2011.

(2) If the amount of an appropriation described in subsection (1) is for an amount less than the amount specified in subsection (1), then the corresponding appropriation for that purpose contained in House Bill No. 2 is not void, but is reduced by the amount appropriated in [section 85].

Section 73. Coordination instruction. (1) Subject to subsection (4), if House Bill No. 5 is passed and approved and if [this act] provides fund transfers from the general fund to:

(a) the state energy conservation repayment account in the department of environmental quality in the amount of $750,000 per year, then the transfers of $1 million in FY 2010 and $500,000 in FY 2011 in section 3 of House Bill No. 5 for the state building energy conservation program are void;

(b) the state energy conservation capital projects account in the department of environmental quality in the amount of $750,000 per fiscal year and if the total appropriations of the federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, to the department of environmental quality in [House Bill No. 5] is in the amount of $17 million or greater, then the transfers of $10,400,000 in FY 2010 and $2,957,000 in FY 2011 in section 3 of House Bill No. 5 for the energy conservation projects are void.

(2) Subject to subsection (3), if House Bill No. 5 is passed and approved and if the total of the line item general fund transfers in House Bill No. 645 for long range building is $5.2 million or more, then the transfers of $2.6 million in FY 2010 and $2.6 million in FY 2011 in section 3 of House Bill No. 5 for long-range building are void.

(3) If the amount of a fund transfer described in subsection (1) or an allocation described in subsection (2) is for an amount less than the amount specified in subsections (1) and (2), then the corresponding transfer or allocation for that purpose contained in House Bill No. 5 is not void, but is reduced by the amount transferred or allocated in [section 85].

Section 74. Coordination instruction. (1) Subject to subsection (3), if House Bill No. 10 is passed and approved and if [this act] contains:

(a) an appropriation of $1 million in general fund to the department of administration for interoperability Montana, then the general fund appropriation for that purpose in House Bill No. 10 is void;

(b) an appropriation of $3.5 million in general fund to the department of administration for the enterprise system services center equipment, then the general fund appropriation for that purpose in House Bill No. 10 is void.

(2) Subject to subsection (3), if House Bill No. 10 is passed and approved and if [this act] does not contain a transfer of general fund of $1.5 million for the secretary of state for the SOS information management system, then the appropriation for that purpose in House Bill No. 10 is void.

(3) If the amount of an appropriation described in subsections (1) and (2) is for an amount less than the amount specified in subsections (1) and (2), then the corresponding appropriation for that purpose contained in House Bill No. 10 is not void, but is reduced by the amount appropriated in [section 85].

~~**Section 75. Coordination instruction.** (1) Subject to subsection (2), if House Bill No. 13 is passed and approved and if [this act] contains an appropriation for:~~

~~(a) personal services contingency in the amount of $4 million, then the general fund appropriation for that purpose in House Bill No. 13 is void;~~

~~(b) labor/management training initiative in the amount of $75,000, then the general fund appropriation for that purpose in House Bill No. 13 is void; and~~

~~(c) the $450 individual pay adjustments in the amount of $3,065,451, then the general fund appropriation for that purpose in House Bill No. 13 is void.~~

~~(2) If the amount of an appropriation described in subsection (1) is for an amount less than the amount specified in subsection (1), then the corresponding appropriation for that~~

~~purpose contained in House Bill No. 13 is not void, but is reduced by the amount of the difference between the amount specified in subsection (1) and the amount appropriated in [section 85].~~

Section 76. Coordination instruction. (1) Subject to subsection (2), if House Bill No. 135 is passed and approved and if [this act] contains a fund transfer for the Fort Belknap-Montana water rights compact in the amount of $1 million, then the general fund transfer to the Peoples Creek minimum flow account in House Bill No. 135 is void.

(2) If the amount of the fund transfer described in subsection (1) is for an amount less than the amount specified in subsection (1), then the corresponding fund transfer for that purpose contained in House Bill No. 135 is not void, but is reduced by the amount of the difference between the amount specified in subsection (1) and the amount transferred in [section 85].

Section 77. Coordination instruction. (1) Subject to subsection (2), if House Bill No. 161 is passed and approved and if [this act] contains a fund transfer for the Blackfeet Tribe water rights compact in the amount of $4 million, then the general fund transfer to the Blackfeet Tribe water rights compact infrastructure account in House Bill No. 161 is void.

(2) If the amount of the fund transfer described in subsection (1) is for an amount less than the amount specified in subsection (1), then the corresponding fund transfer for that purpose contained in House Bill No. 161 is not void, but is reduced by the amount of the difference between the amount specified in subsection (1) and the amount transferred in [section 85].

Section 78. Codification instruction. (1) [Sections 29 and 30] are intended to be codified as an integral part of Title 39, chapter 51, part 21, and the provisions of Title 39, chapter 51, part 21, apply to [sections 29 and 30].

(2) [Section 34] is intended to be codified as an integral part of Title 53, chapter 6, part 1, and the provisions of Title 53, chapter 6, part 1, apply to [section 34].

(3) [Section 53] is intended to be codified as an integral part of Title 17, chapter 3, part 1, and the provisions of Title 17, chapter 3, part 1, apply to [section 53].

(4) [Sections 55 and 56] are intended to be codified as an integral part of Title 90, chapter 1, part 1, and the provisions of Title 90, chapter 1, part 1, apply to [sections 55 and 56].

(5) [Sections 43 and 44] are intended to be codified as an integral part of Title 17, chapter 5, part 1, and the provisions of Title 17, chapter 5, part 1, apply to [sections 43 and 44].

(6) [Sections 45 and 46] are intended to be codified as an integral part of Title 7, chapter 7, part 1, and the provisions of Title 7, chapter 7, part 1, apply to [sections 45 and 46].

(7) [Sections 51 and 52] are intended to be codified as an integral part of Title 90, chapter 7, and the provisions of Title 90, chapter 7, apply to [sections 51 and 52].

Section 79. Contingent voidness. (1) If the federal government refuses to participate in or denies approval of any state plan amendment related to [section 11] for medicaid payments to hospitals, then [section 11] is void.

(2) The department of public health and human services shall notify the code commissioner of the occurrence of any determination made pursuant to subsection (1) and the date of the occurrence.

Section 80. Effective date. [This act] is effective on passage and approval.

Section 81. Retroactive applicability. [Sections 36 and 38] apply retroactively, within the meaning of 1-2-109, to February 17, 2009.

Section 82. Termination. [Sections 1, 11 through 13, 18, 19, 27, 31 through 33, 35 through 42, 57, 58, 60, and 61] terminate June 30, 2011.

~~**Section 83. Voided appropriation -- use -- appropriation.** If a general fund appropriation contained in [section 85] is voided or vetoed, then the amount of the voided or vetoed general fund appropriation is appropriated to the department of commerce. The department shall use 25% of the appropriation for distribution to counties pursuant to [section 57(1)(a)], 25% of the appropriation for distribution to cities and towns pursuant to [section 57(1)(b)], 25% of the appropriation for distribution to tribal governments pursuant to [section 57(1)], and 25% for distribution to school districts pursuant to [section 57(4)].~~

Section 84. Appropriation control. An appropriation item in [section 85] that is designated "Restricted" may be used during the biennium only for the purpose designated by its title and as presented to the legislature.

Section 85. Appropriations -- fund transfers -- allocations. The following money is appropriated for the respective fiscal years. Appropriations may be transferred among FY 2009, FY 2010, and FY 2011. The office of budget and program planning is authorized to transfer up to $2 million of the appropriations, authority, or both in this section between the general fund and the federal special revenue fund for the purpose of making adjustments to maintain necessary maintenance of effort and other requirements of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, for the use of both the state general fund and the federal state fiscal stabilization funds.

Fiscal 2010						Fiscal 2011					
General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total

A. GENERAL GOVERNMENT

LEGISLATIVE BRANCH (1104)

1. Legislative Committees and Activities (21)

117,084	0	0	0	0	117,084	121,520	0	0	0	0	121,520

Total

117,084	0	0	0	0	117,084	121,520	0	0	0	0	121,520

~~If Senate Bill No. 100 is not passed and approved, the general fund appropriation in the amount of $117,084 in fiscal year 2010 and in the amount of $121,520 in fiscal year 2011 for Legislative Committees and Activities is void.~~

~~GOVERNOR'S OFFICE (3101)~~

~~1. Office of Budget and Program Planning (04)~~

~~a. HB13 -- Personal Services Contingency~~

~~4,000,000~~	~~0~~	~~0~~	~~0~~	~~0~~	~~4,000,000~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~

~~b. HB 13 -- Labor/Management Training Initiative~~

~~75,000~~	~~0~~	~~0~~	~~0~~	~~0~~	~~75,000~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~

~~c. HB 13 -- $450 One-Time Payment~~

~~3,065,451~~	~~0~~	~~0~~	~~0~~	~~0~~	~~3,065,451~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~

~~Total~~

~~7,140,451~~	~~0~~	~~0~~	~~0~~	~~0~~	~~7,140,451~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~

DEPARTMENT OF COMMERCE (6501)

1. Business Resources Division (51)

a. Montana Main Street Program

125,000	0	0	0	0	125,000	125,000	0	0	0	0	125,000

b. Indian Country Economic Development

798,496	0	0	0	0	798,496	798,496	0	0	0	0	798,496

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
c. Distressed Wood Products Industry												
	3,752,548	0	0	0	0	3,752,548	3,747,452	0	0	0	0	3,747,452
d. Community Development Block Grant												
	0	0	914,939	0	0	914,939	0	0	914,939	0	0	914,939
e. Community Service Planning Grant												
	25,000	0	0	0	0	25,000	0	0	0	0	0	0
f. Biomass Energy Study												
	475,000	0	0	0	0	475,000	0	0	0	0	0	0
g. Montana Agro-Energy Industrial Park (Restricted)												
	150,000	0	0	0	0	150,000	150,000	0	0	0	0	150,000
h. High-Performance Computing												
	1,000,000	0	0	0	0	1,000,000	1,000,000	0	0	0	0	1,000,000
i. New Worker Training Program												
	655,698	0	0	0	0	655,698	655,698	0	0	0	0	655,698
2. Energy Promotion and Development Division (55)												
a. Energy Promotion Division												
	255,000	0	0	0	0	255,000	255,000	0	0	0	0	255,000
3. Community Development Division (60)												
a. TSEP Operations												
	0	81,158	0	0	0	81,158	0	79,415	0	0	0	79,415
b. Distribution to School Districts and Local and Tribal Governments												
	25,000,000	20,000,000	0	0	0	45,000,000	0	0	0	0	0	0
c. Historic Preservation Competitive Grants												
	2,000,000	0	0	0	0	2,000,000	2,000,000	0	0	0	0	2,000,000
4. Housing Division (74)												
a. Tax Credit Assistance Program												

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
	0	0	3,909,180	0	0	3,909,180	0	0	3,909,180	0	0	3,909,180
b.	Housing Credit Exchange											
	0	0	15,389,250	0	0	15,389,250	0	0	15,389,250	0	0	15,389,250
~~c.~~	~~Welcome Home Loan Program~~											
	~~0~~	~~2,000,000~~	~~0~~	~~0~~	~~0~~	~~2,000,000~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
5.	Director's Office/Management Services Division (81)											
a.	Broadband Mapping											
	300,000	0	0	0	0	300,000	0	0	0	0	0	0
b.	School Facilities Program Administration and Grants											
	0	0	0	0	0	0	0	34,000	0	0	0	34,000
c.	Quick Start Energy Grants											
	0	14,950,000	0	0	0	14,950,000	0	0	0	0	0	0
Total	34,536,742	37,031,158	20,213,369	0	0	91,781,269	8,731,646	113,415	20,213,369	0	0	29,058,430

Montana Agro-Energy Industrial Park is restricted to grant funding for the development of the Montana Agro-Energy Industrial Park.

The line item for Biomass Energy Study may be used to fund biomass project feasibility studies, installation of biomass energy boilers, or biomass program staff within the department of natural resources and conservation in order to increase biomass utilization accomplishments.

The line item for New Worker Training is to provide training funds for businesses to train and educate both new and existing employees, the purpose of which is the retention and creation of high-wage and high-skilled jobs that will increase the earning potential and employment opportunities for Montana employees and enhance the state's economy. The line item for New Worker Training is intended to be implemented using a framework similar to that established under the Primary Sector Business Workforce Training Act provided for in Title 39, chapter 11, except that the New Worker Training appropriation line item is to be used to train and educate both new and existing employees.

~~The line item and general fund appropriation in the amount of $1,311,396 for New Worker Training is contingent upon passage and approval of Senate Bill No. 100. If Senate Bill No. 100 is not passed and approved, the appropriation for New Worker Training is void.~~

If Senate Bill No. 100 is not passed and approved, there is an appropriation to the Community Development Division in the amount of $4.5 million general fund for fiscal year 2010 for the provision of grants by the coal board established in 2-15-1821.

Fiscal 2010						Fiscal 2011					
General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total

The line item appropriation for Broadband Mapping may be used to develop a statewide broadband inventory map pursuant to the provisions of Title VI of the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

Except as provided in [sections 57 and 58], the line item appropriation for the School Facilities Program Administration and Grants is to be used in the same manner as provided in section 10 of HB 152.

The item for Historic Preservation Competitive Grants is for the awarding of grants to public or private entities for the preservation of historic sites within the state of Montana based on a competitive criteria created by the department, as guided by the legislature, that may include:

(1) the degree of economic stimulus or economic activity, including job creation and work creation for Montana contractors and service workers;

(2) the timing of the project, including the access to matching funds if needed and approval of permits so the work can be completed without delay;

(3) the historic or heritage value related to the state of Montana;

(4) the successful track record or experience of the organization directing the project; and

(5) the expected ongoing economic benefit to the state as a result of the project completion.

The amount of $50,000 of the line item for Historic Preservation Competitive Grants must be used for the restoration and preservation of the historic Daly mansion.

The amount of $40,000 of the line item for Historic Preservation Competitive Grants must be allocated to the historic St. Mary's mission maintenance and restoration project.

The amount of $180,000 of the line item for Historic Preservation Competitive Grants must be used for the restoration and preservation of the travelers' rest historic site.

The amount of 2.71% of the appropriation for the line item for Historic Preservation Competitive Grants may be used for administrative expenses to implement the program.

~~The amount of $1 million of the general fund appropriation for Historic Preservation Competitive Grants is contingent upon passage and approval of Senate Bill No. 100.~~

DEPARTMENT OF LABOR AND INDUSTRY (6602)

1. Workforce Services Division (01)

a. Workforce Investment Act -- Adult

0	0	1,246,876	0	0	1,246,876	0	0	0	0	0	0

b. Workforce Investment Act -- Youth

0	0	2,947,501	0	0	2,947,501	0	0	0	0	0	0

c. Workforce Investment Act -- Dislocated Workers

0	0	1,728,008	0	0	1,728,008	0	0	0	0	0	0

d. Employment Services

0	0	1,104,669	0	0	1,104,669	0	0	0	0	0	0

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
e. Community Service Employment for Older Americans												
	0	0	147,000	0	0	147,000	0	0	0	0	0	0
f. Temporary Extension of TAA												
	0	0	1,202,742	0	0	1,202,742	0	0	400,914	0	0	400,914
g. Reemployment Services to Benefit UI Claimants												
	0	0	1,380,835	0	0	1,380,835	0	0	460,279	0	0	460,279
2. Unemployment Insurance Division (02)												
a. Extend Emergency Unemployment Compensation Program												
	0	0	1,968,103	0	0	1,968,103	0	0	0	0	0	0
b. Temporary Extension of TAA												
	0	0	113,242	0	0	113,242	0	0	73,585	0	0	73,585
c. Increase in Unemployment Compensation Program												
	0	0	190,628	0	0	190,628	0	0	0	0	0	0
d. Special Transfer for Unemployment Compensation Modernization												
	0	0	340,271	0	0	340,271	0	0	154,748	0	0	154,748
e. Special Transfer in Federal FY 2009 for Administration												
	0	0	834,416	0	0	834,416	0	0	560,280	0	0	560,280
3. Office of Community Service (07)												
a. AmeriCorps Grant												
	0	0	500,000	0	0	500,000	0	0	0	0	0	0
Total												
	0	0	13,704,291	0	0	13,704,291	0	0	1,649,806	0	0	1,649,806

DEPARTMENT OF MILITARY AFFAIRS (6701)

1. Army National Guard Program (12)

a. Culbertson Armory -- Female Latrines Allocation

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
	0	0	225,900	0	0	225,900	0	0	0	0	0	0
b.	Malta Armory -- Female Latrines Allocation											
	0	0	225,900	0	0	225,900	0	0	0	0	0	0
c.	Fort Harrison -- Helicopter Dip Site Allocation											
	0	0	279,268	0	0	279,268	0	0	0	0	0	0
d.	Statewide Armories -- Vault Modifications Allocation											
	0	0	500,000	0	0	500,000	0	0	0	0	0	0
e.	Billings -- Water Recycler											
	0	0	18,500	0	0	18,500	0	0	0	0	0	0
f.	Fort Harrison Building 412 Mechanical System											
	0	0	30,000	0	0	30,000	0	0	0	0	0	0
g.	Military Museum and IED -- Fort Harrison											
	1,000,000	0	0	0	0	1,000,000	0	0	0	0	0	0
Total	1,000,000	0	1,279,568	0	0	2,279,568	0	0	0	0	0	0

There is allocated $225,900 federal stimulus to the Army National Guard Program for the Culbertson Armory – Female Latrines project, which has been approved by the national guard bureau.

There is allocated $225,900 federal stimulus funds to the Army National Guard Program for the Malta Armory – Female Latrines project, which has been approved by the national guard bureau.

There is allocated $500,000 federal stimulus to the Army National Guard Program for the Statewide Armories -- Vault Modifications project, which has been approved by the national guard bureau.

There is allocated $279,268 federal stimulus funds to the Army National Guard Program for the Fort Harrison – Helicopter Dip Site project, which has been approved by the national guard bureau.

Military Museum and IED -- Fort Harrison consists of $250,000 for a military museum and $750,000 for IED training.

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
TOTAL SECTION A												
	42,794,277	37,031,158	35,197,228	0	0	115,022,663	8,853,166	113,415	21,863,175	0	0	30,829,756

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
B. HEALTH AND HUMAN SERVICES												
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES (6901)												
1. Human and Community Services Division (02)												
a. Child Care Development Block Grant -- FY 2009	0	0	718,736	0	0	718,736	0	0	0	0	0	0
b. Child Care Development Block Grant -- FY 2010-11	0	0	2,873,503	0	0	2,873,503	0	0	2,155,127	0	0	2,155,127
c. Community Services Block Grant -- FY 2009	0	0	1,692,000	0	0	1,692,000	0	0	0	0	0	0
d. Community Services Block Grant -- FY 2010-11	0	0	2,256,000	0	0	2,256,000	0	0	564,000	0	0	564,000
e. TANF Emergency Funds -- FY 2009	0	0	1,765,870	0	0	1,765,870	0	0	0	0	0	0
f. TANF Emergency Funds -- FY 2010-11	0	0	2,185,332	0	0	2,185,332	0	0	1,638,999	0	0	1,638,999
g. SNAP -- Food Stamps -- FY 2009	0	0	5,983,625	0	0	5,983,625	0	0	0	0	0	0
h. SNAP -- Food Stamps -- FY 2010-11	0	0	21,503,078	0	0	21,503,078	0	0	21,415,578	0	0	21,415,578
i. Food Distribution on Reservations -- FY 2009	0	0	69,300	0	0	69,300	0	0	0	0	0	0
j. Food Distribution on Reservations -- FY 2010-11	0	0	77,000	0	0	77,000	0	0	7,700	0	0	7,700
k. Emergency Food Assistance -- FY 2009	0	0	32,750	0	0	32,750	0	0	0	0	0	0
l. Emergency Food Assistance -- FY 2010-11												

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
	0	0	43,667	0	0	43,667	0	0	10,916	0	0	10,916
m.	Weatherization -- FY 2009											
	0	0	3,382,460	0	0	3,382,460	0	0	0	0	0	0
n.	Weatherization -- FY 2010-11											
	0	0	13,529,841	0	0	13,529,841	0	0	10,147,380	0	0	10,147,380
o.	Homeless Prevention/Emergency Food & Shelter -- FY 2009											
	0	0	187,500	0	0	187,500	0	0	0	0	0	0
p.	Homeless Prevention/Emergency Food & Shelter -- FY 2010-11											
	0	0	1,875,000	0	0	1,875,000	0	0	1,687,500	0	0	1,687,500
q.	Food for Food Banks (Restricted)											
	250,000	0	0	0	0	250,000	250,000	0	0	0	0	250,000
r.	Homeless Prevention/Emergency Food & Shelter -- General Fund (Restricted)											
	750,000	0	0	0	0	750,000	750,000	0	0	0	0	750,000
2.	Director's Office (04)											
a.	VISTA -- FY 2010-11											
	0	0	50,000	0	0	50,000	0	0	50,000	0	0	50,000
b.	Provider Rate Increase (Restricted)											
	4,650,830	19,829	8,343,733	0	0	13,014,392	10,333,165	41,231	16,111,921	0	0	26,486,317
3.	Child Support Enforcement Division (05)											
a.	CSED -- Temporarily Restore Federal Matching Funds -- FY 2009											
	0	0	1,646,914	0	0	1,646,914	0	0	0	0	0	0
b.	CSED -- Temporarily Restore Federal Matching Funds -- FY 2010-11											
	0	0	2,040,176	0	0	2,040,176	0	0	619,235	0	0	619,235
4.	Public Health and Safety Division (07)											
a.	WIC -- FY 2010-11											
	0	0	783,000	0	0	783,000	0	0	700,000	0	0	700,000

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
b. County Health Grants -- Asbestos -- FY 2010-11												
	0	0	1,000,000	0	0	1,000,000	0	0	1,000,000	0	0	1,000,000
c. Prevention and Wellness Fund -- FY 2010-11												
	0	0	2,100,000	0	0	2,100,000	0	0	2,100,000	0	0	2,100,000
d. HB 173 -- Implementing National Public Health Standards (Restricted)												
	200,000	0	0	0	0	200,000	200,000	0	0	0	0	200,000
5. Operations and Technology Division (09)												
a. Health Information Technology -- FY 2010-11												
	357,000	0	0	0	0	357,000	357,000	0	0	0	0	357,000
6. Disability Services Division (10)												
a. IDEA -- Infants and Families -- FY 2010-11												
	0	0	1,069,921	0	0	1,069,921	0	0	1,069,922	0	0	1,069,922
b. Vocational Rehabilitation State Grants -- FY 2010-11												
	0	0	1,315,737	0	0	1,315,737	0	0	1,000,000	0	0	1,000,000
7. Health Resources Division (11)												
a. FMAP -- FY 2009												
	0	0	54,000,000	0	0	54,000,000	0	0	0	0	0	0
b. FMAP -- FY 2010-11												
	0	0	78,000,000	0	0	78,000,000	0	0	31,000,000	0	0	31,000,000
c. Medicaid Caseload -- FY 2010-11												
	18,433,433	0	52,973,315	0	0	71,406,748	22,219,989	0	77,461,776	0	0	99,681,765
d. Sustain System of Care and Kids Management Authorities (Restricted)												
	333,500	0	0	0	0	333,500	333,500	0	0	0	0	333,500
e. Indian Property Exclusion in Medicaid Determination												
	231,764	0	751,536	0	0	983,300	310,188	0	732,110	0	0	1,042,298
f. Transitional Medicaid												

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
	196,432	0	636,968	0	0	833,400	248,020	0	585,380	0	0	833,400
8.	Senior and Long-Term Care Division (22)											
	a.	Aging Services Programs -- FY 2010-11										
	0	0	250,000	0	0	250,000	0	0	250,000	0	0	250,000
	b.	Nonmedicaid Community Aging Services (Restricted)										
	58,919	0	1,441,081	0	0	1,500,000	58,918	0	1,441,082	0	0	1,500,000
	c.	Direct Care Worker Wage Increase -- SLTC Services (Restricted)										
	1,915,738	0	6,210,533	0	0	8,126,271	2,446,846	0	5,775,303	0	0	8,222,149
9.	Addictive and Mental Disorders Division (33)											
	a.	Community Mental Health Crisis Services Demonstration Project (Restricted/Biennial)										
	25,000	0	0	0	0	25,000	0	0	0	0	0	0
	b.	Implement HB 130 (Biennial/Restricted)										
	475,000	0	0	0	0	475,000	0	0	0	0	0	0
Total	27,877,616	19,829	270,788,576	0	0	298,686,021	37,507,626	41,231	177,523,929	0	0	215,072,786

The House Bill No. 2 base general fund appropriations for the Human and Community Services Division for benefits are reduced by $668,397 in FY 2010 and $1,375,485 in FY 2011.

The lesser of $668,397 or actual total fiscal year 2010 expenditures from Human and Community Services Division, Child Care Development Block Grant -- FY 2010-11 may be included in the base budget for the purposes of 17-7-111 for the 2013 biennium budget in accordance with [section 18]. These expenditures may be funded with general fund in the present law base for the 2013 biennium executive budget in accordance with [section 18].

Homeless Prevention/Emergency Food & Shelter -- General Fund may be used by the Human and Community Services Division only to allow human resource development councils to assist shelters throughout the state in the four components identified for shelters in the federal grant:

(1) essential services to homeless families;

(2) one-time payments for homeless prevention services;

(3) maintenance funding in support of existing emergency shelters and domestic violence facilities that provide shelter, food, and individual support services; and

(4) rehabilitation or conversion of buildings for homeless shelters.

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total

Provider Rate Increase may be used only to fund a provider rate increase. Funds may be allocated among programs. Provider Rate Increase may not be used to raise rates paid to providers pursuant to 53-6-125.

HB 173 -- Implementing National Public Health Standards may be used only to make grants to local public health agencies. ~~The line item and general fund appropriation in the amount of $400,000 over the biennium for HB 173 -- Implementing National Public Health Standards is contingent upon passage and approval of Senate Bill No. 100. If Senate Bill No. 100 is not passed and approved, the appropriation for HB 173 -- Implementing National Public Health Standards is void.~~

In granting the funds for Health Information Technology -- 2010-11, the department shall seek a nonprofit entity that is governed by a board of directors made up of members who provide a good geographic and demographic representation of the state and who represent the constituents interested in health care information technology, including but not limited to physicians, health care facilities, insurers, telemedicine providers, and government agencies.

Total fiscal year 2010 expenditures from CSED -- Temporarily Restore Federal Matching Funds -- FY 2010-11 may be included in the base budget for the purposes of 17-7-111 for the 2013 biennium budget in accordance with [section 18]. These expenditures may be funded with general fund in the present law base for the 2013 biennium executive budget in accordance with [section 18].

The House Bill No. 2 base general fund appropriations for the Health Resources Division for benefits are reduced by $71 million in FY 2010 and $26 million in FY 2011. The agency may redistribute funding between programs to realign funding sources for medicaid and Title IV-E funding.

Total fiscal year 2010 expenditures from FMAP -- FY 2010-11 may be included in the base budget for the purposes of 17-7-111 for the 2013 biennium budget in accordance with [section 18]. These expenditures may be funded with general fund in the present law base for the 2013 biennium executive budget in accordance with [section 18].

The total collections of enhanced FMAP include $146 million that reduces state general fund expenditures, $14 million of additional general fund revenue from institutional reimbursements and the hospital utilization fee, and $3 million of additional federal expenditures for schools which does not impact general fund.

Medicaid Caseload -- FY2010-11:

(1) may be used only to transfer funds eligible for reserve under the American Recovery and Reinvestment Act of 2009, Public Law 111-5, Title V, section 5001, to a state special revenue account;

(2) may be used only to pay medicaid benefits above the level appropriated in House Bill No. 2 excluding the healthy Montana kids program; and

(3) includes an appropriation of up to $1 million of general fund and $1 million of federal funds for administration directly attributable to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, or to medicaid benefits.

Direct Care Worker Wage Increase -- SLTC Services must be used to raise provider rates for medicaid services to allow for wage increases or lump-sum payments to workers who provide direct care and ancillary services.

Community Mental Health Crisis Services Demonstration Project is contingent upon passage and approval of House Bill No. 130, House Bill No. 131, or House Bill No. 132 and may

Fiscal 2010						Fiscal 2011					
General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total

be used only to implement those bills.

Implement HB 130 is contingent upon passage and approval of House Bill No. 130. If House Bill No. 130 is not passed and approved, Implement HB 130 must be used for matching grants for mental health crisis centers.

TOTAL SECTION B											
27,877,616	19,829	270,788,576	0	0	298,686,021	37,507,626	41,231	177,523,929	0	0	215,072,786

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
C. NATURAL RESOURCES AND TRANSPORTATION												
DEPARTMENT OF ENVIRONMENTAL QUALITY (5301)												
1. Planning, Prevention, and Assistance Division (20)												
a. State Energy Programs	0	0	5,509,281	0	0	5,509,281	0	0	3,202,719	0	0	3,202,719
b. Energy Efficiency Block Grant	0	0	7,253,289	0	0	7,253,289	0	0	323,711	0	0	323,711
c. Drinking Water SRF -- Administration	0	0	388,673	0	0	388,673	0	0	313,400	0	0	313,400
d. Clean Water SRF -- Administration	0	0	382,034	0	0	382,034	0	0	307,828	0	0	307,828
e. Water Quality Grant	0	0	193,886	0	0	193,886	0	0	0	0	0	0
f. Diesel Emissions Reduction Act (DERA) Grant	0	0	1,033,287	0	0	1,033,287	0	0	666,713	0	0	666,713
g. Energy Storage Grant Program	0	0	1,000,000	0	0	1,000,000	0	0	0	0	0	0
h. Energy Storage Grant Program Additional Funding (Restricted)	0	0	0	0	0	0	0	0	1,000,000	0	0	1,000,000
2. Remediation Division (40)												
a. Leaking Underground Storage Tanks	0	0	1,075,491	0	0	1,075,491	0	0	924,509	0	0	924,509
3. Permitting and Compliance Division (50)												
a. Drinking Water SRF -- Administration	0	0	607,297	0	0	607,297	0	0	535,057	0	0	535,057
b. Permitting and Compliance Division Administration -- Federal Stimulus												

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
	359,794	0	0	0	0	359,794	367,918	0	0	0	0	367,918
c. Permitting and Compliance Division Administration -- FY 2009												
	101,500	0	0	0	0	101,500	0	0	0	0	0	0
Total	461,294	0	17,443,238	0	0	17,904,532	367,918	0	7,273,937	0	0	7,641,855

Energy Storage Grant Program Additional Funding is appropriated only if the federal allocation for the state energy program exceeds $25.8 million and the excess funding is not restricted to another purpose.

DEPARTMENT OF TRANSPORTATION (5401)

1. Construction Program (02)

a. Highway Funding

0	0	132,000,000	0	0	132,000,000	0	0	88,000,000	0	0	88,000,000

2. Transportation Planning Division (50)

a. Transit Formula Funding

0	0	9,367,026	0	0	9,367,026	0	0	6,244,684	0	0	6,244,684

~~b. Rail Transit Authority~~

~~49,354~~	~~0~~	~~0~~	~~0~~	~~0~~	~~49,354~~	~~50,000~~	~~0~~	~~0~~	~~0~~	~~0~~	~~50,000~~
Total											
49,354	0	141,367,026	0	0	141,416,380	50,000	0	94,244,684	0	0	94,294,684

~~If Senate Bill No. 291 is not passed and approved, Rail Transit Authority is void.~~

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION (5706)

1. Centralized Services Division (21)

a. Drinking Water -- SRF

0	0	75,140	0	0	75,140	0	0	75,712	0	0	75,712

2. Conservation and Resource Development Division (23)

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
a. Drinking Water -- SRF												
	0	0	10,530,000	0	0	10,530,000	0	0	0	0	0	0
b. Clean Water -- SRF												
	0	0	10,385,146	0	0	10,385,146	0	0	20,000	0	0	20,000
c. Water Project Administration												
	230,000	0	0	0	0	230,000	230,000	0	0	0	0	230,000
3. Reserved Water Rights Compact Commission (25)												
a. Blackfeet Water Compact (transfer)												
	4,000,000	0	0	0	0	4,000,000	0	0	0	0	0	0
b. Fort Belknap Water Compact (transfer)												
	1,000,000	0	0	0	0	1,000,000	0	0	0	0	0	0
4. Forestry and Trust Lands (35)												
a. USFS State and Private Forestry Assistance												
	0	0	4,250,000	0	0	4,250,000	0	0	4,250,000	0	0	4,250,000
Total												
	5,230,000	0	25,240,286	0	0	30,470,286	230,000	0	4,345,712	0	0	4,575,712
TOTAL SECTION C												
	5,740,648	0	184,050,550	0	0	189,791,198	647,918	0	105,864,333	0	0	106,512,251

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
D. JUDICIAL BRANCH, LAW ENFORCEMENT, JUSTICE												
JUDICIARY (2110)												
1. Supreme Court Operations (01)												
a. Self-Help Law Program	250,000	0	0	0	0	250,000	250,000	0	0	0	0	250,000
Total	250,000	0	0	0	0	250,000	250,000	0	0	0	0	250,000

~~The amount of $250,000 of the general fund appropriation for Self-Help Law Program is contingent upon passage and approval of Senate Bill No. 100.~~

CRIME CONTROL DIVISION (4107)												
1. Justice System Support Service (01)												
a. Byrne/JAG Grant	0	0	3,165,819	0	0	3,165,819	0	0	0	0	0	0
b. Crime Victims Assistance Grant	0	0	564,000	0	0	564,000	0	0	0	0	0	0
c. Violence Against Women Grant	0	0	916,955	0	0	916,955	0	0	0	0	0	0
Total	0	0	4,646,774	0	0	4,646,774	0	0	0	0	0	0
DEPARTMENT OF JUSTICE (4110)												
1. Legal Services Division (01)												
a. Crime Victims Compensation Grant	0	0	90,582	0	0	90,582	0	0	90,582	0	0	90,582
2. Division of Criminal Investigation (18)												

~~a. Meth Watch~~

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
	~~500,000~~	~~0~~	~~0~~	~~0~~	~~0~~	~~500,000~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
b. Internet Crimes Against Children Grants	0	0	403,670	0	0	403,670	0	0	0	0	0	0
Total	500,000	0	494,252	0	0	994,252	0	0	90,582	0	0	90,582
DEPARTMENT OF CORRECTIONS (6401)												
1. Community Corrections (02)												
a. Remove Vacancy Savings for 24-7 Staff/Reduce Overtime	0	0	73,225	0	0	73,225	0	0	73,620	0	0	73,620
2. Secure Care (03)												
a. Remove Vacancy Savings for 24-7 Staff/Reduce Overtime	0	0	997,547	0	0	997,547	0	0	1,002,781	0	0	1,002,781
3. Juvenile Corrections (05)												
a. Remove Vacancy Savings for 24-7 Staff/Reduce Overtime	0	0	282,040	0	0	282,040	0	0	283,346	0	0	283,346
Total	0	0	1,352,812	0	0	1,352,812	0	0	1,359,747	0	0	1,359,747
TOTAL SECTION D	750,000	0	6,493,838	0	0	7,243,838	250,000	0	1,450,329	0	0	1,700,329

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
E. EDUCATION												
OFFICE OF SUPERINTENDENT OF PUBLIC INSTRUCTION (3501)												
1. OPI Administration (06)												
a. Title I-A Improvement -- FY 2009	0	0	468,150	0	0	468,150	0	0	0	0	0	0
b. Title II-D Education Technology -- FY 2009	0	0	160,469	0	0	160,469	0	0	0	0	0	0
c. Title I-A -- FY 2009	0	0	415,800	0	0	415,800	0	0	0	0	0	0
d. McKinney-Vento (Homeless Assistance) -- FY 2010-11	0	0	22,400	0	0	22,400	0	0	0	0	0	0
e. Montana Learning Center (Restricted)	50,000	0	0	0	0	50,000	0	0	0	0	0	0
2. Distribution to Public Schools (09)												
a. School Lunch Equipment	0	0	247,461	0	0	247,461	0	0	0	0	0	0
b. Title I -- FY 2009	0	0	34,234,200	0	0	34,234,200	0	0	0	0	0	0
c. IDEA -- Special Education	0	0	36,708,056	0	0	36,708,056	0	0	0	0	0	0
d. Education Technology -- FY 2009	0	0	3,048,906	0	0	3,048,906	0	0	0	0	0	0
e. Title I-A Improvement -- FY 2009	0	0	8,894,850	0	0	8,894,850	0	0	0	0	0	0
f. IDEA Part B (Section 619 Preschool) -- FY 2010-11	0	0	1,260,947	0	0	1,260,947	0	0	0	0	0	0

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
g. McKinney-Vento (Homeless Assistance) -- FY 2010-11												
	0	0	201,600	0	0	201,600	0	0	0	0	0	0
h. Special Education -- Maintenance of Effort -- FY 2009												
	1,233,764	0	0	0	0	1,233,764	1,233,764	0	0	0	0	1,233,764
i. Stabilization Funding for K-12 Education												
	0	0	14,613,477	0	0	14,613,477	0	0	25,779,699	0	0	25,779,699
j. Increase State Support for Schools With Education Stabilization Funds												
	0	0	10,717,552	0	0	10,717,552	0	0	10,993,075	0	0	10,993,075
Total	1,283,764	0	110,993,868	0	0	112,277,632	1,233,764	0	36,772,774	0	0	38,006,538

Montana Learning Center funding may be used only for deferred maintenance on facilities or for making energy efficiency improvements at the Montana learning center.

For the 2011 biennium, the first source of funding of the school district guaranteed tax base aid and direct state aid is the federal appropriation for Stabilization Funding for K-12 Education.

Total fiscal year 2010 expenditures from the line item Stabilization Funding for K-12 Education may be included in the base budget for the purposes of 17-7-111 for the 2013 biennium budget in accordance with [section 18]. These expenditures may be funded with general fund in the present law base for the 2013 biennium executive budget in accordance with [section 18].

MONTANA SCHOOL FOR THE DEAF AND BLIND (5113)

1. Education Program (04)

a. Special Needs Equipment												
	34,507	0	0	0	0	34,507	18,000	0	0	0	0	18,000
Total	34,507	0	0	0	0	34,507	18,000	0	0	0	0	18,000

MONTANA ARTS COUNCIL (5114)

1. National Endowment for the Arts

	0	0	145,500	0	0	145,500	0	0	145,500	0	0	145,500

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
Total												
	0	0	145,500	0	0	145,500	0	0	145,500	0	0	145,500
MONTANA LIBRARY COMMISSION (5115)												
1. Statewide Library Resources (01)												
a. Expansion of Reading Services for the Blind												
	323,000	0	0	0	0	323,000	0	0	0	0	0	0
Total												
	323,000	0	0	0	0	323,000	0	0	0	0	0	0
MONTANA UNIVERSITY SYSTEM, INCLUDING OFFICE OF THE COMMISSIONER OF HIGHER EDUCATION AND EDUCATIONAL UNITS AND AGENCIES (5100)												
1. OCHE – Administration (01)												
a. Distance Learning												
	1,000,000	0	0	0	0	1,000,000	1,000,000	0	0	0	0	1,000,000
b. Virtual Academy												
	1,000,000	0	0	0	0	1,000,000	1,000,000	0	0	0	0	1,000,000
2. OCHE – Community College Assistance (04)												
a. Community College Assistance -- Restore to Governor's December 15 Budget (Restricted/OTO)												
	606,189	0	0	0	0	606,189	671,586	0	0	0	0	671,586
b. Community College Assistance												
	137,944	0	762,056	0	0	900,000	113,299	0	786,701	0	0	900,000
c. Community Colleges Tuition Mitigation												
	0	0	776,851	0	0	776,851	0	0	824,024	0	0	824,024
3. OCHE – Appropriation Distribution Transfers (09)												
a. Tuition Mitigation for Resident Students Funded With Education General Funds												
	3,154,033	0	0	0	0	3,154,033	2,506,230	0	0	0	0	2,506,230

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
b. Stabilization Funding for Higher Education												
	0	0	29,762,223	0	0	29,762,223	0	0	29,762,224	0	0	29,762,224
c. Montana University System Tuition Mitigation and Increased Access to Distance Learning for Resident Students Funded With General Government State Fiscal Stabilization Funds												
	0	0	5,966,490	0	0	5,966,490	0	0	6,580,345	0	0	6,580,345
d. PBS Satellite Delivery												
	200,000	0	0	0	0	200,000	200,000	0	0	0	0	200,000
e. Agricultural Experiment Station -- Sawfly Research (Restricted)												
	250,000	0	0	0	0	250,000	250,000	0	0	0	0	250,000
~~f. Agricultural Experiment Station -- Equipment and Infrastructure~~												
	~~1,000,000~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1,000,000~~	~~1,000,000~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1,000,000~~
g. Montana Extension Service -- Local Government Centers (Restricted)												
	150,000	0	0	0	0	150,000	150,000	0	0	0	0	150,000
h. Replace 6-Mill Levy Revenue Shortfall With Federal General Stabilization Funds												
	0	0	1,447,296	0	0	1,447,296	0	0	1,046,625	0	0	1,046,625
4. OCHE – Tribal College Assistance (11)												
a. Tribal College Assistance												
	450,000	0	0	0	0	450,000	450,000	0	0	0	0	450,000
Total												
	7,948,166	0	38,714,916	0	0	46,663,082	7,341,115	0	38,999,919	0	0	46,341,034

The line item appropriation for Distance Learning is to be used to facilitate access and affordability of 2-year colleges by:

(1) centralizing distance learning courses into a single unified web-based student enrollment system for admissions and financial assistance to enhance access and degree completion; and

(2) coordinating with the superintendent of public instruction on at least five early college degree programs in a Montana Big Sky Career Pathway for high school students to have access to college courses in the classroom or virtually in order to obtain a high school diploma and associate degree in 5 years.

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total

The amount of $1,800,000 total funds over the biennium for Community College Assistance must be allocated as follows: $400,000 to Flathead Valley community college, $700,000 to Miles community college, and $700,000 to Dawson community college.

Total fiscal year 2010 expenditures from the line item Stabilization Funding for Higher Education may be included in the base budget for the purposes of 17-7-111 for the 2013 biennium budget in accordance with [section 18]. These expenditures may be funded with general fund in the present law base for the 2013 biennium executive budget in accordance with [section 18].

The line item appropriation for Agricultural Experiment Station -- Sawfly Research is restricted to sawfly research.

~~The line item appropriation for Agricultural Experiment Station -- Equipment and Infrastructure is restricted to purchases for infrastructure and equipment for agricultural experiment stations.~~

The line item appropriation for Montana Extension Service -- Local Government Centers is restricted to expenditures for the local government center program in the Montana extension service.

Any local education agency or institution of higher education that receives funding under this program shall ensure that the agency or institution will meet the intentions and legal requirements of the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

TOTAL SECTION E												
	9,589,437	0	149,854,284	0	0	159,443,721	8,592,879	0	75,918,193	0	0	84,511,072

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
F. LONG-RANGE PLANNING												
STATEWIDE AGENCY (9999)												
1. Long-Range Building Program -- HB 5 (01)												
a. Long-Range Building Program Additional Transfer	7,248,486	0	0	0	0	7,248,486	6,544,914	0	0	0	0	6,544,914
b. Long-Range Building Program Allocation	0	0	638,216	0	0	638,216	0	0	638,216	0	0	638,216
c. Long-Range Building Program Transfer	1,792,586	0	0	0	0	1,792,586	1,792,586	0	0	0	0	1,792,586
d. State Energy Conservation Capital Projects Account Allocation	0	0	6,519,000	0	0	6,519,000	0	0	6,519,000	0	0	6,519,000
e. State Energy Conservation Repayment Account Transfer	750,000	0	0	0	0	750,000	750,000	0	0	0	0	750,000
f. MUS Energy Conservation Improvements Transfer and Allocation	6,150,000	0	3,850,000	0	0	10,000,000	6,150,000	0	4,850,000	0	0	11,000,000
g. MUS Energy Conservation Additional Funds (Restricted)	0	0	0	0	0	0	0	0	1,000,000	0	0	1,000,000
h. University of Montana-Western -- Main Hall Transfer	3,000,000	0	0	0	0	3,000,000	3,000,000	0	0	0	0	3,000,000
i. State Energy Conservation Capital Projects Account Transfer	750,000	0	0	0	0	750,000	750,000	0	0	0	0	750,000
2. Information Technology Projects -- HB 10 (02)												
a. Enterprise System Services Center Equipment (Department of Administration)	1,750,000	0	0	0	0	1,750,000	1,750,000	0	0	0	0	1,750,000
b. Interoperability Montana (Department of Administration)	500,000	0	0	0	0	500,000	500,000	0	0	0	0	500,000

	Fiscal 2010						Fiscal 2011					
	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri-etary	Other	Total
c. SOS Information Management System Transfer												
	750,000	0	0	0	0	750,000	750,000	0	0	0	0	750,000
3. Treasure State Endowment Program -- HB 11 (03)												
a. Regional Water System Transfer												
	4,000,000	0	0	0	0	4,000,000	4,000,000	0	0	0	0	4,000,000
b. TSEP Infrastructure Transfer												
	11,500,000	0	0	0	0	11,500,000	11,500,000	0	0	0	0	11,500,000
4. Other Transfers (05)												
a. School Facilities Account (HB 152) Transfer												
	35,034,000	0	0	0	0	35,034,000	0	0	0	0	0	0
5. Renewable Resource Grants and Loans -- HB 6 (07)												
a. Water Projects Transfer												
	2,074,398	0	0	0	0	2,074,398	2,074,398	0	0	0	0	2,074,398
6. Reclamation and Development Grants and Loans -- HB 7 (08)												
a. Reclamation Projects Transfer												
	897,133	0	0	0	0	897,133	897,133	0	0	0	0	897,133
Total	76,196,603	0	11,007,216	0	0	87,203,819	40,459,031	0	13,007,216	0	0	53,466,247
TOTAL SECTION F	76,196,603	0	11,007,216	0	0	87,203,819	40,459,031	0	13,007,216	0	0	53,466,247

MUS Energy Conservation Additional Funds is appropriated only if the federal allocation for the state energy program in the department of environmental quality exceeds $25.8 million and the excess funding is not restricted to another purpose.

~~The amount of $1 million of the general fund appropriation for Enterprise System Services Center Equipment is contingent upon passage and approval of Senate Bill No. 100.~~

TOTAL STATE FUNDING

162,948,581	37,050,987	657,391,692	0	0	857,391,260	96,310,620	154,646	395,627,175	0	0	492,092,441

-END-

I hereby certify that the within bill,

HB 0645, originated in the House.

David L. Hunter

Chief Clerk of the House

Speaker of the House

Signed this 4th day

of May, 2009.

Robert R. Stoss Jr.

President of the Senate

Signed this 5th day

of May, 2009.