### Building Reserve Fund Budget

**PURPOSE:** The purposes and authorization of the Building Reserve Fund (61) is provided for through §20-9-502, MCA and allow for four sub-funds. These are:

1. **School Safety Sub-fund (611)** – This subfund in the Building Reserve Fund (61) must be created for funds transferred for school and student safety and security pursuant to §20-9-236, MCA. Any revenue transfers that are not spent or encumbered within 2 full school fiscal years after the funds are transferred must be transferred back to the originating fund. In addition, with the approval of the qualified electors of the district, the district may impose a voted levy (up to perpetual) for the purposes of providing funding for improvements to school and student safety and security.

2. **Voted Levy Sub-fund (612)** – The subfund is authorized through §20-9-502, MCA(2) and provides for the imposition of a levy with the approval of the qualified electors of the district for raising money for the future construction, equipping, or enlarging of school buildings, for purchasing land needed for school purposes in the district, or funding of INTERCAP loans.

3. **Permissive Sub-fund (613)** – The subfund is authorized through §20-9-502, MCA(3). The trustees of a district may authorize and impose a levy of no more than 10 mills (20 mills for K-12 districts) for the purposes of raising revenue for identified school major maintenance identified in §20-9-525.

4. **Transition Sub-fund (614)** – This subfund is authorized through §20-9-502, MCA(4) and allows the Trustees of a district to impose a voted levy with the approval of the qualified electors of the district to provide funding for transition costs incurred when the trustees: (i) open a new school under the provisions of Title 20, chapter 6; (ii) close a school; (iii) replace a school building; or (iv) consolidate with or annex another district under the provisions of MCA, Title 20, chapter 6. The duration of the levy for transition costs may not exceed 6 years.

**VOTING REQUIREMENTS:** The Building Reserve Fund (61) allows for a permissive subfund levy that is consequently not subject to voter approval, but does require the district to notice any projected mill increases along with other requirements by March 31st per 20-9-502(3)(a)(i), MCA and §20-9-116, MCA. In addition, the fund may have multiple voted levies including: the Safety Sub-fund (611), Voted Sub-fund, and Transition Sub-fund all requiring a vote with the approval of the qualified electors of the district.

**USE NON-LEVY REVENUE Tab:**

The district must choose either to use non-levy revenue to lower the tax levy for an approved voted levy OR to use the non-levy revenues to add to budget authority. Regardless of how the district chooses to use non-levy revenues, estimates under 9100 Other Revenues and 9710 Residual Equity Transfer In are used to add budget authority.

**BUDGET AND RESERVES Tab:**

1. This tab includes the 0001 Adopted Budget which is calculated by MAEFAIRS by using:
   - Amounts to be levied (as specified under Levy Amount associated with a voted levy(s) to the voted or transition subfunds entered through the “Go to Levies Page” tab.);
□ **Plus:** Permissive Levy Amount entered through the “Permissive Revenue” tab;
□ **Plus:** Unreserved fund balance reappropriated (any amount of the balance accumulated in the fund to date);
□ **PLUS:** TIF fund balance (0973);
□ **Plus:** Any Voted Subfund Estimated Non-Levy Revenues (1123 through 3460) – If the option selected is "Use non-levy revenue to add budget authority and not reduce the levy amount."
□ **Plus:** Any Estimated Nonvoted Subfund Non-Levy Revenue and Transfers (1125 through 9101)
□ **Plus:** State Major Maintenance Aid (SMMA)

2. The Building Reserve Fund (61) is a reserve fund; therefore, there is not an operating reserve unless the district wishes to set aside cash or fund balance without budget authority to spend it.

**VOTED REVENUES Tab:**

1. Estimated Non-levy Revenues are entered by the district in support of the Voted Subfund.
   a. Non-levy revenue sources include: 1123, 1130, 1510, 1900, 3302, 3460, 9100, and 9710.
   b. Estimated 1123 Coal Gross Proceeds: Pre-filled by the OPI using information provided by the Department of Revenue.

2. Unreserved Fund Balance Reappropriated is displayed on the page; **MAEFAIRS calculates**

3. The tab will display the 0117 Voted Sub-Fund District Tax Levy, which will include all subfund voted levies. Districts may have several voted levies: the voted safety levy (up to perpetual), the voted building reserve levy (up to 20 years), and a voted transition levy (up to 6 years) all entered through the “Go to Levies Page” tab.

4. The total of the 1110 Total District Tax Levy displayed is the sum of budget code 0118 Permissive Sub-Fund District Tax Levy plus 0117 Voted Sub-Fund District Tax Levy. **MAEFAIRS calculates**

**PERMISSIVE REVENUES Tab:**

1. A permissive levy may be assessed not to exceed 10.00 mills for elementary or high school districts and not to exceed 20.00 mills for K-12 districts. The dollar amount calculated from the total number of mills is not to exceed the total size of the school major maintenance amount defined in section 20-9-525(7)(b), MCA as $15,000 plus the product of $110 multiplied by the district's budgeted ANB for the prior fiscal year.

2. Permissive subfund Non-levy Revenues are entered by the district and may be estimated only if the full 10.00 mills (20.00 mills if a K-12) are levied and are still less than the available school major maintenance amount and the district intends to increase the amount of local effort.
   a. Non-levy revenue sources include: 1125, 1131, 1511, 1901, 3303, 3461, 5302, and 9101.

3. The total of the 1110 Total District Tax Levy displayed is the sum of budget code 0118 Permissive Sub-Fund District Tax Levy plus 0117 Voted Sub-Fund District Tax Levy. **MAEFAIRS calculates**
4. The State Major Maintenance Aid (3283) amount is included in the permissive subfund and will calculate based on the permissive levy amount entered, plus any estimated permissive subfund non-levy revenues or transfers. MAEFAIRS calculates

**Go To Levy Page:**

Districts with approved voted levies may enter those levy amounts to the MAEFAIRS system using this series of tabs.

1. For a district with a previously entered voted levy and the levy continues to have remining years associated, select the levy, and enter the intended levy amount for the budget year and save.

2. Districts with a newly issued voted levy select Go to Levies Page, Go to Building Reserve Setup Page, Add a New Building Reserve, complete the required information, and save. After the setup is complete return to the Go to Building Reserve Levy Page, enter the levy amount for the budget year, and click the Go to Budget page to finish your budget.

**SUMMARY Tab: No input required.**

Verify the information on the screen, including the number of mills.