

Amendment - 1st Reading-white - Requested by: Mary Caferro - (H) Appropriations

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.001.005

1 HOUSE BILL NO. 924
2 INTRODUCED BY L. JONES, B. LER, C. COCHRAN, E. ALBUS, B. BARKER, D. BEDEY, M. BERTOGLIO, J.
3 FITZPATRICK, J. KARLEN, C. KEOGH, G. PARRY, L. REKSTEN, E. TILLEMAN, P. TUSS, K. WALSH
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING STATE FINANCE LAWS; CREATING
6 THE MONTANA GROWTH AND OPPORTUNITY TRUST; PROVIDING FOR TRANSFERS OF VOLATILE
7 REVENUES TO THE TRUST; PROVIDING FOR ANNUAL DISTRIBUTIONS OF INTEREST INCOME TO
8 STATE SPECIAL REVENUE ACCOUNTS; PROVIDING FOR REINVESTMENT OF A PORTION OF THE
9 TRUST FOR PENSIONS AND HOUSING; PROVIDING FOR CALCULATIONS RELATED TO VOLATILE
10 REVENUE; ESTABLISHING A STATE PROPERTY RELIEF ACCOUNT; ESTABLISHING A MONTANA
11 WATER DEVELOPMENT STATE SPECIAL REVENUE ACCOUNT; ESTABLISHING A BETTER LOCAL
12 BRIDGE ACCOUNT; ESTABLISHING A MONTANA EARLY CHILDHOOD ACCOUNT; ~~ESTABLISHING A~~
13 ~~MONTANA EARLY CHILDHOOD ACCOUNT BOARD AND PROVIDING GRANTS;~~ TRANSFERRING
14 AUTHORITY FOR CERTAIN HOUSING LOANS FROM THE COAL TAX TRUST FUND TO THE MONTANA
15 GROWTH AND OPPORTUNITY TRUST; ESTABLISHING A PENSION FUND; REVISING USE OF THE
16 MONTANA HOUSING INFRASTRUCTURE REVOLVING LOAN FUND; LIMITING THE TRANSFER OF
17 VOLATILE REVENUE WHEN GENERAL FUND DEFICIT IS CERTIFIED OR OPERATING RESERVE IS
18 ESTIMATED AT A CERTAIN AMOUNT; PROVIDING FOR TRANSFERS FROM THE PENSION FUND TO
19 THE TEACHERS' RETIREMENT SYSTEM OR THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM ON
20 CERTIFICATION OF THE RETIREMENT SYSTEM BOARD; PROVIDING FOR AN INCREASE TO THE
21 EMPLOYER SUPPLEMENTAL CONTRIBUTION RATE; PROVIDING FOR FUND TRANSFERS; PROVIDING
22 APPROPRIATIONS; ESTABLISHING REPORTING REQUIREMENTS; PROVIDING RULEMAKING
23 AUTHORITY; AMENDING SECTIONS 15-38-302, 17-6-308, 17-6-317, 17-6-801, 17-7-130, 17-7-133, 17-7-
24 140, 19-3-316, 19-20-609, 85-1-631, 90-6-137, AND 90-6-603, MCA; AMENDING SECTION 5, CHAPTER 48,
25 LAWS OF 2023, AND SECTION 24, CHAPTER 722, LAWS OF 2023; REPEALING SECTION 17-7-134, MCA;
26 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
27
28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

1

2 NEW SECTION. Section 9. Montana early childhood account -- nonsupplantation of funds. (1)

3 There is a Montana early childhood account in the state special revenue fund in the state treasury to the credit
4 of the department of public health and human services. ~~The money in the account is allocated to the Montana
5 early childhood account board established in [section 11] for funding services and activities under and payment
6 of administrative costs of the programs described in [section 12].~~

7 (2) Funds deposited in the Montana early childhood account may only be used for the programs
8 and grants authorized in ~~[section 12]~~ [section 11] and may not be used to pay the expenses of any other
9 program or service administered in whole or in part by the department of public health and human services or
10 any other state government entity.

11 (3) The account retains its own interest.

12
13 NEW SECTION. Section 10. Pension fund. There is a pension portion of the Montana growth and
14 opportunity trust established [section 1].

15 (2) The account is funded by a distribution pursuant to 17-6-214, 17-7-130, and transfers made
16 pursuant to [section 4].

17 (3) Funds in the account may only be used to transfer into a state-administered pension fund.

18 (4) In any 2-year period, no more than \$300 million may be transferred from the pension section of
19 the Montana growth and opportunity trust for the purposes outlined in 19-3-316 and 19-20-609.

20 (5) (a) On certification by the teachers' retirement board, the state treasurer shall transfer no more
21 than 25% of the balance of this fund to the teachers' retirement system to ensure that the system meets its
22 long-term rate of return assumption if the inception-to-date market rate of return as of June 30 in the previous 2
23 consecutive fiscal years is less than the current actuarially assumed rate of return set by the teachers'
24 retirement board.

25 (b) The amount of a transfer authorized in subsection (5)(a) is limited to the amount necessary to
26 bring the inception-to-date market rate of return as of June 30 in the previous fiscal year up to the actuarially
27 assumed rate of return set by the teachers' retirement board.

28 (c) When applicable, the teachers' retirement board shall determine and shall certify to the state

1 treasurer the amount of the transfer required under this section. The state treasurer shall transfer the certified
2 amount to the pension trust fund within 30 days following receipt of certification from the teachers' retirement
3 board.

4 (6) (a) On certification by the public employees' retirement board, the state treasurer shall transfer
5 no more than 25% of the balance of this fund to the public employees' retirement system to ensure that the
6 system meets its long-term rate of return assumption if the inception-to-date market rate of return as of June 30
7 in the previous 2 consecutive fiscal years is less than the current actuarially assumed rate of return set by the
8 public employees' retirement board.

9 (b) The amount of a transfer authorized in subsection (6)(a) is limited to the amount necessary to
10 bring the inception-to-date market rate of return as of June 30 in the previous fiscal year up to the actuarially
11 assumed rate of return set by the public employees' retirement board.

12 (c) When applicable, the public employees' retirement board shall determine and shall certify to
13 the state treasurer the amount of the transfer required under this section. The state treasurer shall transfer the
14 certified amount to the pension trust fund within 30 days following receipt of certification from the public
15 employees' retirement board.

16

17 ~~NEW SECTION. Section 11. Montana early childhood account board. (1) There is a Montana~~
18 ~~early childhood account board consisting of seven members appointed by the governor as follows:~~

19 ~~(a) — two members who are employees of the department of public health and human services,~~
20 ~~including one employee of the early childhood and family support division and one employee of the division of~~
21 ~~the department that oversees American Indian health;~~

22 ~~(b) — one member who is an employee of the department of labor and industry;~~

23 ~~(c) — one member who is an employee of the office of public instruction;~~

24 ~~(d) — one member who is an employee of the department of commerce; and~~

25 ~~(e) — two members representing state and local community early childhood organizations.~~

26 ~~(2) — A member's term is 3 years. Initial appointments may specify a shorter length of the initial term~~
27 ~~to stagger the terms. Vacancies must be filled for the balance of an unexpired term. A member of the board~~
28 ~~may be reappointed.~~

~~(3) — The board is allocated to the department of public health and human services for administrative purposes only, as provided in 2-15-121. The board may employ staff to carry out its duties as described in [sections 11 through 14].~~

~~(4) — Unless otherwise provided by law, each member is entitled to be reimbursed for travel expenses incurred, as provided in 2-18-501 through 2-18-503, while performing board duties.~~

NEW SECTION. Section 11. Eligible uses of Montana early childhood grants account. (1) The ~~Montana early childhood account board established in [section 11]~~ department of public health and human services shall use the money in the Montana early childhood account provided for in [section 9] to fund services and activities ~~related to a broad range of programs operated by nonprofit or public community-based educational or service organizations or early childhood coalitions provided for in subsection (2) to support the child-care system in Montana.~~

(2) Eligible purposes ~~for which the board may authorize grants~~ include:

(a) early care and education provider support and workforce development, including:

(i) technical assistance grants that offer funding to start or expand child-care businesses, community-level partnerships, and program access strategies;

(ii) grants to support early childhood postsecondary education, certifications, apprenticeship, training, and continuing education to grow the workforce of early childhood professionals; and

(iii) recruitment and retention grants to provide workforce benefits, stipends, or supplements to retain qualified workers;

(b) quality improvement initiatives, including accreditation support, curriculum development, safety upgrades, and supports for infants, toddlers, and children with special needs;

(c) affordability initiatives, including expansion of licensed before-school and after-school care, the state child care subsidy program, and temporary child care assistance programs for families facing sudden financial hardship;

(d) innovation initiatives, including community child-care expansion programs and early learning and early childhood intervention access programs; and

(e) emergency assistance and disaster relief programs for impacted child-care facilities.

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1 (3) In administering funding from the early childhood ~~grant program account~~, the ~~board~~ department
2 shall:

3 (a) determine funding priorities for services and activities using the department of public health and
4 human services' early childhood system strategic plan and comprehensive fiscal analysis;

5 (b) establish further criteria for the receipt of program funds;

6 (c) monitor the expenditure of funds by organizations receiving funds under this section;

7 (d) evaluate the efficacy of services and activities funded under this section; ~~and~~

8 (e) adopt rules necessary to implement this section; ~~and~~

9 (f) consult stakeholders to advise and inform implementation.

10 (4) By September 1 of each year, the ~~board department~~ shall report to the education interim
11 committee and the children, families, health, and human services interim committee in accordance with 5-11-
12 210 on the services and activities funded under this section.

13
14 ~~NEW SECTION. Section 13. Gifts and grants to programs. The Montana early childhood account
15 board may accept contributions, gifts, and grants, of money or otherwise, to the programs described in [section
16 12]. Monetary gifts, contributions, and grants earmarked for the Montana early childhood account must be paid
17 into the account established in [section 9].~~

18
19 ~~NEW SECTION. Section 12. Program costs -- annual report. (1) The costs incurred by the
20 Montana early childhood account board in administering the programs described in [section 12] must be paid
21 for with money from the Montana early childhood account provided for in [section 9]. The board shall keep costs
22 to a minimum and use existing office space, personnel, equipment, and supplies of the department of public
23 health and human services to the extent possible.~~

24 ~~(2)(1)~~ (a) By September 1 of each year, the department shall provide a written report to the children,
25 families, health, and human services interim committee in accordance with 5-11-210.

26 ~~(b)(2)~~ The report must include the following information for each program or grant:

27 ~~(i)(a)~~ the project or activity for which it was awarded;

28 ~~(ii)(b)~~ the amount of the grant;

1 ~~(iii)~~(c) proposed and actual uses of grant funds;

2 ~~(iv)~~(d) the duration; and

3 ~~(v)~~(e) its recipient.

4

5 **Section 13.** Section 17-6-308, MCA, is amended to read:

6 **"17-6-308. Authorized investments.** (1) Except as provided in subsections (2) through ~~(8)~~(7) of this
7 section and subject to the provisions of 17-6-201, the Montana permanent coal tax trust fund must be invested
8 as authorized by rules adopted by the board.

9 (2) The board may make loans from the permanent coal tax trust fund to the capital reserve
10 account created pursuant to 17-5-1515 to establish balances or restore deficiencies in the account. The board
11 may agree in connection with the issuance of bonds or notes secured by the account or fund to make the loans.
12 Loans must be on terms and conditions determined by the board and must be repaid from revenue realized
13 from the exercise of the board's powers under 17-5-1501 through 17-5-1518 and 17-5-1521 through 17-5-1529,
14 subject to the prior pledge of the revenue to the bonds and notes.

15 (3) The board shall manage the seed capital and research and development loan portfolios
16 created by the former Montana board of science and technology development. The board shall establish an
17 appropriate repayment schedule for all outstanding research and development loans made to the university
18 system. The board is the successor in interest to all agreements, contracts, loans, notes, or other instruments
19 entered into by the Montana board of science and technology development as part of the seed capital and
20 research and development loan portfolios, except agreements, contracts, loans, notes, or other instruments
21 funded with coal tax permanent trust funds. The board shall administer the agreements, contracts, loans, notes,
22 or other instruments funded with coal tax permanent trust funds. As loans made by the former Montana board
23 of science and technology development are repaid, the board shall deposit the proceeds or loans made from
24 the coal severance tax trust fund in the coal severance tax permanent fund until all investments are paid back
25 with 7% interest.

26 (4) The board shall allow the Montana facility finance authority to administer \$15 million of the
27 permanent coal tax trust fund for capital projects. Until the authority makes a loan pursuant to the provisions of
28 Title 90, chapter 7, the funds under its administration must be invested by the board pursuant to the provisions

1 (2) There is appropriated the following amounts from the following accounts for the fiscal year
2 beginning July 1, 2026, for the purposes outlined in those accounts:

3 (a) \$15 million from the Montana water development state special revenue account to the
4 department of natural resources and conservation;

5 (b) \$15 million from the local bridge state special revenue account to the department of
6 transportation; and

7 (c) \$15 million from the Montana early childhood state special revenue account to the department
8 of public health and human services.

9 (3) The legislature intends that the appropriations in subsection (2) be considered part of the
10 ongoing base for the next legislative session.

11

12 **NEW SECTION. Section 30. Codification instruction.** (1) [Sections 1 through 4 and ~~26 24~~] are
13 intended to be codified as an integral part of Title 17, and the provisions of Title 17 apply to [sections 1 through
14 4 and ~~26 24~~].

15 (2) [Section 6] is intended to be codified as an integral part of Title 15, and the provisions of Title
16 15 apply to [section 6].

17 (3) [Section 7] is intended to be codified as an integral part of Title 85, chapter 1, part 3, and the
18 provisions of Title 85, chapter 1, part 3, apply to [section 7].

19 (N4) [Section 8] is intended to be codified as an integral part of Title 60, chapter 2, part 2, and the
20 provisions of Title 60, chapter 2, part 2, apply to [section 8].

21 (5) ~~[Sections 9 and 11 through 14]~~ [Sections 9, 11, and 12] are intended to be codified as an
22 integral part of Title 52, chapter 2, part 7, and the provisions of Title 52, chapter 2, part 7, apply to ~~[sections 9
23 and 11 through 14]~~ [sections 9, 11, and 12].

24 (6) [Section 10] is intended to be codified as an integral part of Title 17, chapter 7, and the
25 provisions of Title 17, chapter 7, apply to [section 10].

26

27 **NEW SECTION. Section 31. Effective dates.** (1) Except as provided in subsection (2), [this act] is
28 effective on passage and approval.

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1 (2) [Section ~~19~~ 17] is effective July 1, 2025.

2 - END -

AMEND