

SENATE BILL NO. 177

INTRODUCED BY E. WALKER

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A BILL FOR AN ACT ENTITLED: "AN ACT EXPANDING THE TYPES OF TRANSPORTATION AND TRANSPORTATION-RELATED ACTIVITIES FOR WHICH A DISTRICT'S TRANSPORTATION FUND BUDGET MAY BE USED; AND AMENDING SECTIONS 20-3-331, 20-10-121, 20-10-143, AND 20-10-144, MCA."

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

Section 1. Section 20-3-331, MCA, is amended to read:

"20-3-331. Purchase of insurance -- self-insurance plan. (1) The trustees of a district may purchase insurance coverage or establish a self-insurance plan for the district, trustees, and employees for liability as provided in 2-9-211 and for group health and life insurance as provided in 2-18-702. The trustees shall include the cost of coverage in the general fund budget of the district and as authorized for the district transportation program in ~~20-10-143(1)(d)~~ 20-10-143(2)(d).

(2) Whenever the trustees of a district establish a self-insurance plan, the trustees shall establish an internal service fund to account for the activities of the self-insurance plan."

Section 2. Section 20-10-121, MCA, is amended to read:

"20-10-121. Duty of trustees to provide transportation -- types of transportation -- bus riding time limitation. (1) The trustees of a district may furnish transportation to an eligible transportee who attends a school of the district or has been granted permission to attend a school outside of the district. Whenever the trustees of a district provide transportation for an eligible transportee, the trustees shall provide all eligible transportees of the district with transportation. The trustees shall furnish transportation when directed to do so by the county transportation committee and when that direction is upheld by the superintendent of public instruction.

(2) The tendering of a contract to the parent or guardian under which the district would pay the parent or guardian for individually transporting the pupil or pupils fulfills the district's obligation to furnish transportation for an eligible transportee. The parent or guardian of an eligible transportee may provide transportation or arrange for transportation for the parent's or guardian's child at the parent's or guardian's own expense to any district willing to accept the child.

- 1 (3) The type of transportation provided by a district may be by:
- 2 (a) ~~by~~ a school bus; or
- 3 (b) ~~by~~ individual transportation through programs established by the district including but not limited to:
- 4 (i) paying the parent or guardian for individually transporting the pupil;
- 5 (ii) purchasing passes for the pupil to use public transportation;
- 6 (iii) devising a supervised walking program for the pupil;
- 7 ~~(ii)(iv)~~ paying board and room reimbursements;
- 8 ~~(iii)(v)~~ providing supervised correspondence study; or
- 9 ~~(iv)(vi)~~ providing supervised home study.
- 10 (4) When the parent or guardian of an elementary pupil consents to a trip of over 1 hour, the trustees
- 11 may require the eligible transportee to ride a school bus for more than 1 hour each trip."
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13 **Section 3.** Section 20-10-143, MCA, is amended to read:

14 **"20-10-143. Budgeting for transportation and transmittal of transportation contracts.** (1) The

15 trustees of a district furnishing transportation to pupils who are residents of the district shall provide a

16 transportation fund budget that is adequate to finance the district's transportation contractual obligations and any

17 other transportation expenditures necessary for the conduct of its transportation program.

18 (2) The transportation fund budget must include:

- 19 (a) an adequate amount to finance the maintenance and operation of school buses owned and operated
- 20 by the district;
- 21 (b) the annual contracted amount for the maintenance and operation of school buses by a private party;
- 22 (c) the annual contracted amount for individual transportation, including any increased amount because
- 23 of isolation, which may not exceed the schedule amounts prescribed in 20-10-142;
- 24 (d) any amount necessary for the purchase, rental, or insurance of school buses; and
- 25 (e) any other amount necessary to finance the administration, operation, or maintenance of the
- 26 transportation program of the district, as determined by the trustees.

27 (3) The trustees may include an additional amount in the transportation fund budget for:

- 28 (a) purchasing passes for pupils to use public transportation;
- 29 (b) a supervised walking program for pupils;
- 30 (c) school-related programs requiring transportation that are developed by the trustees of a district,

1 including but not limited to:

2 (i) student field trips;

3 (ii) school-day shuttles between school campuses;

4 (iii) sports, vocational, speech and debate, and other school-related programs; and

5 (iv) safety programs for school-related student travel such as programs for crosswalk guards; and

6 (d) other programs or capital expenditures and investments to improve the availability, safety, or
 7 cost-effectiveness of school-related student transportation.

8 ~~(2)~~(4) The trustees may include a contingency amount in the transportation fund budget for the purpose
 9 of enabling the district to fulfill an obligation to provide transportation in accordance with this title for:

10 (a) pupils not residing in the district at the time of the adoption of the final budget and who subsequently
 11 became residents of the district during the school fiscal year;

12 (b) pupils who have become eligible transportees since the adoption of the final budget because their
 13 legal residence has been changed; or

14 (c) other unforeseen increases in bus route mileage or obligations for payment of additional contracts
 15 for individual transportation for an eligible transportee for which state and county reimbursement is authorized
 16 under 20-10-141 and 20-10-142. The budgeted contingency amount may not exceed 10% of the transportation
 17 schedule amount as calculated under the provisions of 20-10-141 and 20-10-142 for all transportation services
 18 authorized by the schedules and provided by the district unless 10% of the transportation schedule amount is less
 19 than \$100, in which case \$100 is the maximum limitation for the budgeted contingency amount.

20 ~~(3)~~(5) A budget amendment to the transportation fund budget may be adopted subject to the provisions
 21 of 20-9-161 through 20-9-166.

22 ~~(4)~~(6) The trustees shall report the transportation fund budget on the regular budget form prescribed by
 23 the superintendent of public instruction in accordance with 20-9-103, and the adoption of the transportation fund
 24 budget must be completed in accordance with the school budgeting laws. When the adopted final budget is sent
 25 to the county superintendent, the trustees shall also send copies of all completed transportation contracts for
 26 school bus transportation to the county superintendent. The contracts must substantiate all contracted school bus
 27 transportation services incorporated in the final budget."

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29 **Section 4.** Section 20-10-144, MCA, is amended to read:

30 **"20-10-144. Computation of revenue and net tax levy requirements for district transportation fund**

1 **budget.** Before the second Monday of August, the county superintendent shall compute the revenue available
2 to finance the transportation fund budget of each district. The county superintendent shall compute the revenue
3 for each district on the following basis:

4 (1) The "schedule amount" of the budget expenditures that is derived from the rate schedules in
5 20-10-141 and 20-10-142 must be determined by adding the following amounts:

6 (a) the sum of the maximum reimbursable expenditures for all approved school bus routes maintained
7 by the district (to determine the maximum reimbursable expenditure, multiply the applicable rate for each bus mile
8 by the total number of miles to be traveled during the ensuing school fiscal year on each bus route approved by
9 the county transportation committee and maintained by the district); plus

10 (b) the total of all individual transportation per diem reimbursement rates for the district as determined
11 from the contracts submitted by the district multiplied by the number of pupil-instruction days scheduled for the
12 ensuing school attendance year; plus

13 (c) any estimated costs for supervised home study or supervised correspondence study for the ensuing
14 school fiscal year; plus

15 (d) the amount budgeted in the budget for the contingency amount permitted in 20-10-143(4), except
16 if the amount exceeds 10% of the total of subsections (1)(a), (1)(b), and (1)(c) of this section or \$100, whichever
17 is larger, the contingency amount on the budget must be reduced to the limitation amount and used in this
18 determination of the schedule amount; plus

19 (e) any estimated costs for transporting a child out of district when the child has mandatory approval to
20 attend school in a district outside the district of residence.

21 (2) (a) The schedule amount determined in subsection (1) or the total transportation fund budget,
22 whichever is smaller, is divided by 2 and is used to determine the available state and county revenue to be
23 budgeted on the following basis:

24 (i) one-half is the budgeted state transportation reimbursement; and

25 (ii) one-half is the budgeted county transportation fund reimbursement and must be financed in the
26 manner provided in 20-10-146.

27 (b) When the district has a sufficient amount of fund balance for reappropriation and other sources of
28 district revenue, as determined in subsection (3), to reduce the total district obligation for financing to zero, any
29 remaining amount of district revenue and fund balance reappropriated must be used to reduce the county
30 financing obligation in subsection (2)(a)(ii) and, if the county financing obligations are reduced to zero, to reduce

1 the state financial obligation in subsection (2)(a)(i).

2 (c) The county revenue requirement for a joint district, after the application of any district money under
3 subsection (2)(b), must be prorated to each county incorporated by the joint district in the same proportion as the
4 ANB of the joint district is distributed by pupil residence in each county.

5 (3) The total of the money available for the reduction of property tax on the district for the transportation
6 fund must be determined by totaling:

7 (a) anticipated federal money received under the provisions of 20 U.S.C. 7701, et seq., or other
8 anticipated federal money received in lieu of that federal act;

9 (b) anticipated payments from other districts for providing school bus transportation services for the
10 district;

11 (c) anticipated payments from a parent or guardian for providing school bus transportation services for
12 a child;

13 (d) anticipated or reappropriated interest to be earned by the investment of transportation fund cash in
14 accordance with the provisions of 20-9-213(4);

15 (e) anticipated revenue from coal gross proceeds under 15-23-703;

16 (f) anticipated oil and natural gas production taxes;

17 (g) anticipated local government severance tax payments for calendar year 1995 production;

18 (h) anticipated transportation payments for out-of-district pupils under the provisions of 20-5-320 through
19 20-5-324;

20 (i) school district block grants distributed under 20-9-630;

21 (j) any other revenue anticipated by the trustees to be earned during the ensuing school fiscal year that
22 may be used to finance the transportation fund; and

23 (k) any fund balance available for reappropriation as determined by subtracting the amount of the
24 end-of-the-year fund balance earmarked as the transportation fund operating reserve for the ensuing school fiscal
25 year by the trustees from the end-of-the-year fund balance in the transportation fund. The operating reserve may
26 not be more than 20% of the final transportation fund budget for the ensuing school fiscal year and is for the
27 purpose of paying transportation fund warrants issued by the district under the final transportation fund budget.

28 (4) The district levy requirement for each district's transportation fund must be computed by:

29 (a) subtracting the schedule amount calculated in subsection (1) from the total preliminary transportation
30 budget amount; and

