

HOUSE BILL NO. 64
INTRODUCED BY EUDAILY

IN THE HOUSE

JANUARY 4, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON EDUCATION & CULTURAL RESOURCES.
	FIRST READING.
JANUARY 17, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
JANUARY 18, 1989	PRINTING REPORT.
JANUARY 19, 1989	SECOND READING, DO PASS.
JANUARY 20, 1989	ENGROSSING REPORT.
JANUARY 21, 1989	THIRD READING, PASSED. AYES, 91; NOES, 0.
	TRANSMITTED TO SENATE.

IN THE SENATE

JANUARY 23, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON EDUCATION & CULTURAL RESOURCES.
FEBRUARY 2, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
FEBRUARY 7, 1989	SECOND READING, CONCURRED IN.
FEBRUARY 9, 1989	THIRD READING, CONCURRED IN. AYES, 50; NOES, 0.
	RETURNED TO HOUSE.

IN THE HOUSE

FEBRUARY 10, 1989

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 64
 2 INTRODUCED BY Radaily
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE
 5 SCHOOL BUDGETING, FINANCE REPORTING, AND INVESTMENT
 6 REQUIREMENTS; AMENDING SECTIONS 20-3-205, 20-3-209,
 7 20-9-103, 20-9-111, 20-9-141, 20-9-213, AND 20-10-144, MCA;
 8 AND PROVIDING AN EFFECTIVE DATE."
 9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 11 **Section 1.** Section 20-3-205, MCA, is amended to read:
 12 **"20-3-205. Powers and duties.** The county
 13 superintendent has general supervision of the schools of the
 14 county within the limitations prescribed by this title and
 15 shall perform the following duties or acts:
 16 (1) determine, establish, and reestablish trustee
 17 nominating districts in accordance with the provisions of
 18 20-3-352, 20-3-353, and 20-3-354;
 19 (2) administer and file the oaths of members of the
 20 boards of trustees of the districts in his county in
 21 accordance with the provisions of 20-3-307;
 22 (3) register the teacher or specialist certificates or
 23 emergency authorization of employment of any person employed
 24 in the county as a teacher, specialist, principal, or
 25 district superintendent in accordance with the provisions of

1 20-4-202;
 2 (4) act on each tuition application submitted to him
 3 in accordance with the provisions of 20-5-301, 20-5-302,
 4 20-5-304, and 20-5-311 and transmit the tuition information
 5 required by 20-5-312;
 6 (5) file a copy of the audit report for a district in
 7 accordance with the provisions of 20-9-203;
 8 (6) classify districts in accordance with the
 9 provisions of 20-6-201 and 20-6-301;
 10 (7) keep a transcript and reconcile the district
 11 boundaries of the county in accordance with the provisions
 12 of 20-6-103;
 13 (8) fulfill all responsibilities assigned to him under
 14 the provisions of this title regulating the organization,
 15 alteration, or abandonment of districts;
 16 (9) act on any unification proposition and, if
 17 approved, establish additional trustee nominating districts
 18 in accordance with 20-6-312 and 20-6-313;
 19 (10) estimate the average number belonging (ANB) of an
 20 opening school in accordance with the provisions of
 21 20-6-502, 20-6-503, 20-6-504, or 20-6-506;
 22 (11) process and, when required, act on school
 23 isolation applications in accordance with the provisions of
 24 20-9-302;
 25 (12) complete the budgets, compute the budgeted

1 revenues and tax levies, ~~give--notices--of--the--budget~~
 2 ~~meetings~~, file final and emergency budgets, and fulfill such
 3 other responsibilities assigned to him under the provisions
 4 of this title regulating school budgeting systems;

5 (13) submit an annual financial report to the
 6 superintendent of public instruction in accordance with the
 7 provisions of 20-9-211;

8 (14) quarterly, unless otherwise provided by law, order
 9 the county treasurer to apportion state money, county school
 10 money, and any other school money subject to apportionment
 11 in accordance with the provisions of 20-9-212, 20-9-334,
 12 20-9-347, 20-10-145, or 20-10-146;

13 (15) act on any request to transfer average number
 14 belonging (ANB) in accordance with the provisions of
 15 20-9-313(3);

16 (16) calculate the estimated budgeted general fund
 17 sources of revenue in accordance with the provisions of
 18 20-9-348 and the other general fund revenue provisions of
 19 the general fund part of this title;

20 (17) compute the revenues and the district and county
 21 levy requirements for each fund included in each district's
 22 final budget and report such computations to the board of
 23 county commissioners in accordance with the provisions of
 24 the general fund, transportation, bonds, and other school
 25 funds parts of this title;

1 (18) file and forward bus driver certifications,
 2 transportation contracts, and state transportation
 3 reimbursement claims in accordance with the provisions of
 4 20-10-103, 20-10-143, or 20-10-145;

5 (19) for districts which do not employ a district
 6 superintendent or principal, recommend library book and
 7 textbook selections in accordance with the provisions of
 8 20-7-204 or 20-7-602;

9 (20) notify the superintendent of public instruction of
 10 a textbook dealer's activities when required under the
 11 provisions of 20-7-605 and otherwise comply with the
 12 textbook dealer provisions of this title;

13 (21) act on district requests to allocate federal money
 14 for indigent children for school food services in accordance
 15 with the provisions of 20-10-205;

16 (22) perform any other duty prescribed from time to
 17 time by this title, any other act of the legislature, the
 18 policies of the board of public education, the policies of
 19 the board of regents relating to community college
 20 districts, or the rules of the superintendent of public
 21 instruction;

22 (23) administer the oath of office to trustees without
 23 the receipt of pay for administering the oath;

24 (24) keep a record of his official acts, preserve all
 25 reports submitted to him under the provisions of this title,

1 preserve all books and instructional equipment or supplies,
2 keep all documents applicable to the administration of the
3 office, and surrender such records, books, supplies, and
4 equipment to his successor;

5 (25) within 90 days after the close of the school
6 fiscal year, publish ~~an annual report~~ a notice in the county
7 newspaper stating that the following financial information
8 for, relating to the school fiscal year just ended for each
9 district of the county, is available in the county
10 superintendent's office:

11 (a) the total of the cash balances of all funds
12 maintained by the district at the beginning of the year;

13 (b) the total receipts that were realized in each fund
14 maintained by the district;

15 (c) the total expenditures that were made from each
16 fund maintained by the district; and

17 (d) the total of the cash balances of all funds
18 maintained by the district at the end of the school fiscal
19 year; and

20 (26) hold meetings for the members of the trustees from
21 time to time at which matters for the good of the districts
22 shall be discussed."

23 **Section 2.** Section 20-3-209, MCA, is amended to read:

24 "20-3-209. Annual report and receipt. (1) The county
25 superintendent of each county shall submit an annual report

1 to the superintendent of public instruction not later than
2 September 1. Such report shall be completed on the forms
3 supplied by the superintendent of public instruction which
4 shall require the reporting of:

5 ~~(a)~~ (1) the final budget information for each district
6 of the county, as prescribed by 20-9-134(1);

7 ~~(b)~~ (2) the financial activities of each district of
8 the county for the immediately preceding school fiscal year
9 as provided by the trustees' annual report to the county
10 superintendent under the provisions of 20-9-213(5);

11 ~~(c)~~ (3) the pupil information for each district
12 provided the county superintendent under the provisions of
13 20-4-301(1)(d) or 20-4-402(7); and

14 ~~(d)~~ (4) any other information that may be requested by
15 the superintendent of public instruction which is within his
16 authority prescribed by this title.

17 ~~(2) When the superintendent of public instruction~~
18 ~~receives a complete annual report from the county~~
19 ~~superintendent, he shall immediately issue a receipt for the~~
20 ~~annual report to such county superintendent. The county~~
21 ~~superintendent shall present the receipt to the board of~~
22 ~~county commissioners, and if the county commissioners do not~~
23 ~~receive the receipt, they shall not pay the county~~
24 ~~superintendent's salary for the last 2 months of the~~
25 ~~calendar year until the receipt is presented to them."~~

Section 3. Section 20-9-103, MCA, is amended to read:

"20-9-103. **School budget form.** (1) The format of the school budget form shall be prescribed by the superintendent of public instruction and shall provide for proper school budgeting procedures in accordance with the budgeting requirements of this title and generally accepted accounting principles. The superintendent of public instruction shall cause a sufficient number of the budget forms to be printed for use by all districts for each school fiscal year.

(2) Each district shall use the budget forms prescribed by the superintendent of public instruction except that a district may in addition, with the approval of the superintendent of public instruction, use a more detailed form."

Section 4. Section 20-9-111, MCA, is amended to read:

"20-9-111. **Initial budget items for completion --**
~~estimated-budgeting--authority.~~ (1) ~~During--the--month--of~~
~~March,--the-county-superintendent-shall-complete-the-portions~~
~~of--the--budget--form--providing--information-about-the-last~~
~~completed-school-year-and,--separate-from--the--budget--form,--~~
~~estimate--the-maximum-amount-to-be-available-for-the-general~~
~~fund-budget-in-the-ensuing-year-without-an-additional--levy.~~
By April 10, the county superintendent shall send to each district two copies of the budget form, ~~the general--fund~~
~~estimate,~~ and any other information or data as may be

required by the superintendent of public instruction or that the county superintendent may deem necessary.

(2) Upon receipt of the budget forms, the district shall complete those portions of them which require information about the last-completed school year and the then-current school year. The county superintendent shall provide information about the last-completed school year for third-class districts."

Section 5. Section 20-9-141, MCA, is amended to read:

"20-9-141. **Computation of general fund net levy requirement by county superintendent.** (1) The county superintendent shall compute the levy requirement for each district's general fund on the basis of the following procedure:

(a) Determine the total of the funding required for the district's final general fund budget less the amount established by the schedules in 20-9-316 through 20-9-321 by totaling:

(i) the district's nonisolated school foundation program requirement to be met by a district levy as provided in 20-9-303;

(ii) the district's permissive levy amount as provided in 20-9-352; and

(iii) any general fund budget amount adopted by the trustees of the district under the provisions of 20-9-353,

including any additional levies authorized by the electors of the district.

(b) Determine the total of the moneys available for the reduction of the property tax on the district for the general fund by totaling:

(i) anticipated federal moneys received under the provisions of Title I of Public Law 81-874 or other anticipated federal moneys received in lieu of such federal act;

(ii) anticipated tuition payments for out-of-district pupils under the provisions of 20-5-303, 20-5-307, 20-5-312, and 20-5-313;

(iii) general fund cash reappropriated, as established under the provisions of 20-9-104;

(iv) anticipated or reappropriated state impact aid received under the provisions of 20-9-304;

(v) anticipated or reappropriated revenue from vehicle property taxes imposed under 61-3-504(2) and 61-3-537;

(vi) anticipated net proceeds taxes for interim production and new production, as defined in 15-23-601;

(vii) anticipated interest to be earned or reappropriated interest earned by the investment of general fund cash in accordance with the provisions of 20-9-213(4); and

(viii) any other revenue anticipated by the trustees to

be received during the ensuing school fiscal year which may be used to finance the general fund.

(c) Subtract the total of the moneys available to reduce the property tax required to finance the general fund that has been determined in subsection (1)(b) from the total requirement determined in subsection (1)(a).

(2) The net general fund levy requirement determined in subsection (1)(c) shall be reported to the county commissioners on the second Monday of August by the county superintendent as the general fund levy requirement for the district, and a levy shall be made by the county commissioners in accordance with 20-9-142."

Section 6. Section 20-9-213, MCA, is amended to read:

"20-9-213. Duties of trustees. The trustees of each district shall have the sole power and authority to transact all fiscal business and execute all contracts in the name of such district. No person other than the trustees acting as a governing board shall have the authority to expend moneys of the district. In conducting the fiscal business of the district, the trustees shall:

(1) cause the keeping of an accurate, detailed accounting of all receipts and expenditures of school moneys for each fund maintained by the district in accordance with rules prescribed by the superintendent of public instruction. The record of such accounting shall be open to

1 public inspection at any meeting of the trustees.

2 (2) authorize all expenditures of district moneys and
3 cause warrants to be issued for the payment of lawful
4 obligations;

5 (3) have the authority to issue warrants on any
6 budgeted fund in anticipation of budgeted revenues, except
7 that such expenditures shall not exceed the amount budgeted
8 for such fund;

9 (4) invest any moneys of the district, whenever in the
10 judgment of the trustees such investment would be
11 advantageous to the district, by directing the county
12 treasurer to invest any money of the district in direct
13 obligations of the United States government, ~~payable--within~~
14 ~~180--days--from--the--time--of--investment--or~~ in savings or time
15 deposits in a state or national bank, building or loan
16 association, savings and loan association, or credit union
17 insured by the FDIC, FSLIC, or NCUA located in the state, or
18 in a repurchase agreement as authorized in 7-6-213. All
19 interest collected on such deposits or investments shall be
20 credited to the fund from which the money was withdrawn,
21 except that interest earned on account of the investment of
22 money realized from the sale of bonds shall be credited to
23 the debt service fund or the building fund, at the
24 discretion of the board of trustees. The placement of the
25 investment by the county treasurer shall not be subject to

1 ratable distribution laws and shall be done in accordance
2 with the directive from the board of trustees. A district
3 may invest moneys under the state unified investment program
4 established in Title 17, chapter 6.

5 (5) report annually to the county superintendent, not
6 later than August 1, the financial activities of each fund
7 maintained by the district during the last completed school
8 fiscal year on the forms prescribed and furnished by the
9 superintendent of public instruction. Annual fiscal reports
10 for joint school districts shall be submitted to the county
11 superintendent of each county in which part of the joint
12 district is situated.

13 (6) whenever requested, report any other fiscal
14 activities to the county superintendent, superintendent of
15 public instruction, or board of public education;

16 (7) cause the accounting records of the district to be
17 audited annually as required by law; and

18 (8) perform, in the manner permitted by law, such
19 other fiscal duties that are in the best interests of the
20 district."

21 **Section 7.** Section 20-10-144, MCA, is amended to read:

22 "20-10-144. Computation of revenues and net tax levy
23 requirements for the transportation fund budget. Before the
24 fourth Monday of July and in accordance with 20-9-123, the
25 county superintendent shall compute the revenue available to

1 finance the transportation fund budget of each district. The
2 county superintendent shall compute the revenue for each
3 district on the following basis:

4 (1) The "schedule amount" of the preliminary budget
5 expenditures that is derived from the rate schedules in
6 20-10-141 and 20-10-142 shall be determined by adding the
7 following amounts:

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

16 (b) the total of all individual transportation per
17 diem reimbursement rates for such district as determined
18 from the contracts submitted by the district multiplied by
19 the number of pupil-instruction days scheduled for the
20 ensuing school attendance year; plus

21 (c) any estimated costs for supervised home study or
22 supervised correspondence study for the ensuing school
23 fiscal year; plus

24 (d) the amount budgeted on the preliminary budget for
25 the contingency amount permitted in 20-10-143, except if

1 such amount exceeds 10% of the total of subsections (1)(a),
2 (1)(b), and (1)(c) or \$100, whichever is larger, the
3 contingency amount on the preliminary budget shall be
4 reduced to such limitation amount and used in this
5 determination of the schedule amount.

6 (2) The schedule amount determined in subsection (1)
7 or the total preliminary transportation fund budget,
8 whichever is smaller, shall be divided by 3 and the
9 resulting one-third amount shall be used to determine the
10 available state and county revenue to be budgeted on the
11 following basis:

12 (a) the resulting one-third amount shall be the
13 budgeted state transportation reimbursement, except that the
14 state transportation reimbursement for the transportation of
15 special education pupils under the provisions of 20-7-442
16 shall be two-thirds of the schedule amount attributed to the
17 transportation of special education pupils;

18 (b) the resulting one-third amount, except as provided
19 for joint elementary districts in subsection (2)(e), shall
20 be the budgeted county transportation reimbursement for
21 elementary districts and shall be financed by the basic
22 county tax under the provisions of 20-9-334;

23 (c) the resulting one-third amount multiplied by 2
24 shall be the budgeted county transportation reimbursement
25 amount for high school districts financed under the

provisions of subsection (5) of this section, except as provided for joint high school districts in subsection (2)(e), and except that the county transportation reimbursement for the transportation of special education pupils under the provisions of 20-7-442 shall be one-third of the schedule amount attributed to the transportation of special education pupils;

(d) when the district has a sufficient amount of cash for reappropriation and other sources of district revenue, as determined in subsection (3), to reduce the total district obligation for financing to zero, any remaining amount of such district revenue and cash reappropriated shall be used to reduce the county financing obligation in subsections (2)(b) or (2)(c) and, if such county financing obligations are reduced to zero, to reduce the state financial obligation in subsection (2)(a); and

(e) the county revenue requirement for a joint district, after the application of any district moneys under subsection (2)(d) above, shall be prorated to each county incorporated by the joint district in the same proportion as the ANB of the joint district is distributed by pupil residence in each such county.

(3) The total of the moneys available for the reduction of property tax on the district for the transportation fund shall be determined by totaling:

(a) anticipated federal moneys received under the provisions of Title I of Public Law 81-874 or other anticipated federal moneys received in lieu of such federal act; plus

(b) anticipated payments from other districts for providing school bus transportation services for such district; plus

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

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

(e) anticipated or reappropriated revenue from vehicle property taxes imposed under 61-3-504(2) and 61-3-537; plus

(f) net proceeds taxes for interim production and new production, as defined in 15-23-601; plus

(g) any other revenue anticipated by the trustees to be earned during the ensuing school fiscal year which may be used to finance the transportation fund; plus

(h) any cash available for reappropriation as determined by subtracting the amount of the end-of-the-year cash balance earmarked as the transportation fund cash reserve for the ensuing school fiscal year by the trustees from the end-of-the-year cash balance in the transportation

1 fund. Such cash reserve shall not be more than 20% of the
 2 final transportation fund budget for the ensuing school
 3 fiscal year and shall be for the purpose of paying
 4 transportation fund warrants issued by the district under
 5 the final transportation fund budget.

6 (4) The district levy requirement for each district's
 7 transportation fund shall be computed by:

8 (a) subtracting the schedule amount calculated in
 9 subsection (1) from the total preliminary transportation
 10 budget amount and, for an elementary district, adding such
 11 difference to the district obligation to finance one-third
 12 of the schedule amount as determined in subsection (2); and

13 (b) subtracting the amount of moneys available to
 14 reduce the property tax on the district, as determined in
 15 subsection (3), from the amount determined in subsection
 16 (4)(a) above.

17 (5) The county levy requirement for the financing of
 18 the county transportation reimbursement to high school
 19 districts shall be computed by adding all such requirements
 20 for all the high school districts of the county, including
 21 the county's obligation for reimbursements in joint high
 22 school districts.

23 (6) The transportation fund levy requirements
 24 determined in subsection (4) for each district and in
 25 subsection (5) for the county shall be reported to the

1 county commissioners on the second Monday of August by the
 2 county superintendent as the transportation fund levy
 3 requirements for the district and for the county, and such
 4 levies shall be made by the county commissioners in
 5 accordance with 20-9-142."

6 **Section 8. Effective date.** [This act] is effective
 7 July 1, 1989.

-End-

APPROVED BY COMM. ON EDUCATION
AND CULTURAL RESOURCES

HOUSE BILL NO. 64

INTRODUCED BY EUDAILY

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE SCHOOL BUDGETING, FINANCE REPORTING, AND INVESTMENT REQUIREMENTS; AMENDING SECTIONS 20-3-205, 20-3-209, 20-9-103, 20-9-111, 20-9-141, 20-9-213, AND 20-10-144, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 20-3-205, MCA, is amended to read:

"20-3-205. Powers and duties. The county superintendent has general supervision of the schools of the county within the limitations prescribed by this title and shall perform the following duties or acts:

(1) determine, establish, and reestablish trustee nominating districts in accordance with the provisions of 20-3-352, 20-3-353, and 20-3-354;

(2) administer and file the oaths of members of the boards of trustees of the districts in his county in accordance with the provisions of 20-3-307;

(3) register the teacher or specialist certificates or emergency authorization of employment of any person employed in the county as a teacher, specialist, principal, or district superintendent in accordance with the provisions of

20-4-202;

(4) act on each tuition application submitted to him in accordance with the provisions of 20-5-301, 20-5-302, 20-5-304, and 20-5-311 and transmit the tuition information required by 20-5-312;

(5) file a copy of the audit report for a district in accordance with the provisions of 20-9-203;

(6) classify districts in accordance with the provisions of 20-6-201 and 20-6-301;

(7) keep a transcript and reconcile the district boundaries of the county in accordance with the provisions of 20-6-103;

(8) fulfill all responsibilities assigned to him under the provisions of this title regulating the organization, alteration, or abandonment of districts;

(9) act on any unification proposition and, if approved, establish additional trustee nominating districts in accordance with 20-6-312 and 20-6-313;

(10) estimate the average number belonging (ANB) of an opening school in accordance with the provisions of 20-6-502, 20-6-503, 20-6-504, or 20-6-506;

(11) process and, when required, act on school isolation applications in accordance with the provisions of 20-9-302;

(12) complete the budgets, compute the budgeted

SECOND READING

1 revenues and tax levies, ~~give--notices--of--the--budget~~
 2 ~~meetings~~, file final and emergency budgets, and fulfill such
 3 other responsibilities assigned to him under the provisions
 4 of this title regulating school budgeting systems;

5 (13) submit an annual financial report to the
 6 superintendent of public instruction in accordance with the
 7 provisions of 20-9-211;

8 (14) quarterly, unless otherwise provided by law, order
 9 the county treasurer to apportion state money, county school
 10 money, and any other school money subject to apportionment
 11 in accordance with the provisions of 20-9-212, 20-9-334,
 12 20-9-347, 20-10-145, or 20-10-146;

13 (15) act on any request to transfer average number
 14 belonging (ANB) in accordance with the provisions of
 15 20-9-313(3);

16 (16) calculate the estimated budgeted general fund
 17 sources of revenue in accordance with the provisions of
 18 20-9-348 and the other general fund revenue provisions of
 19 the general fund part of this title;

20 (17) compute the revenues and the district and county
 21 levy requirements for each fund included in each district's
 22 final budget and report such computations to the board of
 23 county commissioners in accordance with the provisions of
 24 the general fund, transportation, bonds, and other school
 25 funds parts of this title;

1 (18) file and forward bus driver certifications,
 2 transportation contracts, and state transportation
 3 reimbursement claims in accordance with the provisions of
 4 20-10-103, 20-10-143, or 20-10-145;

5 (19) for districts which do not employ a district
 6 superintendent or principal, recommend library book and
 7 textbook selections in accordance with the provisions of
 8 20-7-204 or 20-7-602;

9 (20) notify the superintendent of public instruction of
 10 a textbook dealer's activities when required under the
 11 provisions of 20-7-605 and otherwise comply with the
 12 textbook dealer provisions of this title;

13 (21) act on district requests to allocate federal money
 14 for indigent children for school food services in accordance
 15 with the provisions of 20-10-205;

16 (22) perform any other duty prescribed from time to
 17 time by this title, any other act of the legislature, the
 18 policies of the board of public education, the policies of
 19 the board of regents relating to community college
 20 districts, or the rules of the superintendent of public
 21 instruction;

22 (23) administer the oath of office to trustees without
 23 the receipt of pay for administering the oath;

24 (24) keep a record of his official acts, preserve all
 25 reports submitted to him under the provisions of this title,

preserve all books and instructional equipment or supplies, keep all documents applicable to the administration of the office, and surrender such records, books, supplies, and equipment to his successor;

(25) within 90 days after the close of the school fiscal year, publish ~~an annual report~~ ~~a notice~~ AN ANNUAL REPORT in the county newspaper stating that the following financial information ~~for relating to~~ FOR the school fiscal year just ended for each district of the county ~~is available in the county superintendent's office:~~

(a) the total of the cash balances of all funds maintained by the district at the beginning of the year;

(b) the total receipts that were realized in each fund maintained by the district;

(c) the total expenditures that were made from each fund maintained by the district; and

(d) the total of the cash balances of all funds maintained by the district at the end of the school fiscal year; and

(26) hold meetings for the members of the trustees from time to time at which matters for the good of the districts shall be discussed."

Section 2. Section 20-3-209, MCA, is amended to read:

"20-3-209. Annual report and receipt. (1) The county superintendent of each county shall submit an annual report

to the superintendent of public instruction not later than September 1. Such report shall be completed on the forms supplied by the superintendent of public instruction which shall require the reporting of:

(a)(1) the final budget information for each district of the county, as prescribed by 20-9-134(1);

(b)(2) the financial activities of each district of the county for the immediately preceding school fiscal year as provided by the trustees' annual report to the county superintendent under the provisions of 20-9-213(5);

(c)(3) the pupil information for each district provided the county superintendent under the provisions of 20-4-301(1)(d) or 20-4-402(7); and

(d)(4) any other information that may be requested by the superintendent of public instruction which is within his authority prescribed by this title.

(2) When the superintendent of public instruction receives a complete annual report from the county superintendent, he shall immediately issue a receipt for the annual report to such county superintendent. The county superintendent shall present the receipt to the board of county commissioners, and if the county commissioners do not receive the receipt, they shall not pay the county superintendent's salary for the last 2 months of the calendar year until the receipt is presented to them."

Section 3. Section 20-9-103, MCA, is amended to read:

"20-9-103. School budget form. (1) The format of the school budget form shall be prescribed by the superintendent of public instruction and shall provide for proper school budgeting procedures in accordance with the budgeting requirements of this title and generally accepted accounting principles. The superintendent of public instruction shall cause a sufficient number of the budget forms to be printed for use by all districts for each school fiscal year.

(2) Each district shall use the budget forms prescribed by the superintendent of public instruction except that a district may in addition, with the approval of the superintendent of public instruction, use a more detailed form."

Section 4. Section 20-9-111, MCA, is amended to read:

"20-9-111. Initial budget items for completion -- ~~estimated-budgeting--authority.~~ (1) ~~During--the--month--of March,--the--county--superintendent--shall--complete--the--portions of--the--budget--form--providing--information--about--the--last completed--school--year--and,--separate--from--the--budget--form, estimate--the--maximum--amount--to--be--available--for--the--general fund--budget--in--the--ensuing--year--without--an--additional--levy.~~ By April 10, the county superintendent shall send to each district two copies of the budget form, ~~the--general--fund estimate,~~ and any other information or data as may be

required by the superintendent of public instruction or that the county superintendent may deem necessary.

(2) Upon receipt of the budget forms, the district shall complete those portions of them which require information about the last-completed school year and the then-current school year. The county superintendent shall provide information about the last-completed school year for third-class districts."

Section 5. Section 20-9-141, MCA, is amended to read:

"20-9-141. Computation of general fund net levy requirement by county superintendent. (1) The county superintendent shall compute the levy requirement for each district's general fund on the basis of the following procedure:

(a) Determine the total of the funding required for the district's final general fund budget less the amount established by the schedules in 20-9-316 through 20-9-321 by totaling:

(i) the district's nonisolated school foundation program requirement to be met by a district levy as provided in 20-9-303;

(ii) the district's permissive levy amount as provided in 20-9-352; and

(iii) any general fund budget amount adopted by the trustees of the district under the provisions of 20-9-353,

1 including any additional levies authorized by the electors
2 of the district.

3 (b) Determine the total of the moneys available for
4 the reduction of the property tax on the district for the
5 general fund by totaling:

6 (i) anticipated federal moneys received under the
7 provisions of Title I of Public Law 81-874 or other
8 anticipated federal moneys received in lieu of such federal
9 act;

10 (ii) anticipated tuition payments for out-of-district
11 pupils under the provisions of 20-5-303, 20-5-307, 20-5-312,
12 and 20-5-313;

13 (iii) general fund cash reappropriated, as established
14 under the provisions of 20-9-104;

15 (iv) anticipated or reappropriated state impact aid
16 received under the provisions of 20-9-304;

17 (v) anticipated or reappropriated revenue from vehicle
18 property taxes imposed under 61-3-504(2) and 61-3-537;

19 (vi) anticipated net proceeds taxes for interim
20 production and new production, as defined in 15-23-601;

21 (vii) anticipated interest to be earned or
22 reappropriated interest earned by the investment of general
23 fund cash in accordance with the provisions of 20-9-213(4);
24 and

25 (viii) any other revenue anticipated by the trustees to

1 be received during the ensuing school fiscal year which may
2 be used to finance the general fund.

3 (c) Subtract the total of the moneys available to
4 reduce the property tax required to finance the general fund
5 that has been determined in subsection (1)(b) from the total
6 requirement determined in subsection (1)(a).

7 (2) The net general fund levy requirement determined
8 in subsection (1)(c) shall be reported to the county
9 commissioners on the second Monday of August by the county
10 superintendent as the general fund levy requirement for the
11 district, and a levy shall be made by the county
12 commissioners in accordance with 20-9-142."

13 **Section 6.** Section 20-9-213, MCA, is amended to read:

14 **"20-9-213. Duties of trustees.** The trustees of each
15 district shall have the sole power and authority to transact
16 all fiscal business and execute all contracts in the name of
17 such district. No person other than the trustees acting as a
18 governing board shall have the authority to expend moneys of
19 the district. In conducting the fiscal business of the
20 district, the trustees shall:

21 (1) cause the keeping of an accurate, detailed
22 accounting of all receipts and expenditures of school moneys
23 for each fund maintained by the district in accordance with
24 rules prescribed by the superintendent of public
25 instruction. The record of such accounting shall be open to

1 public inspection at any meeting of the trustees.

2 (2) authorize all expenditures of district moneys and
3 cause warrants to be issued for the payment of lawful
4 obligations;

5 (3) have the authority to issue warrants on any
6 budgeted fund in anticipation of budgeted revenues, except
7 that such expenditures shall not exceed the amount budgeted
8 for such fund;

9 (4) invest any moneys of the district, whenever in the
10 judgment of the trustees such investment would be
11 advantageous to the district, by directing the county
12 treasurer to invest any money of the district in direct
13 obligations of the United States government, ~~payable--within~~
14 ~~180--days--from--the--time--of--investment--or~~ in savings or time
15 deposits in a state or national bank, building or loan
16 association, savings and loan association, or credit union
17 insured by the FDIC, FSLIC, or NCUA located in the state, or
18 in a repurchase agreement as authorized in 7-6-213. All
19 interest collected on such deposits or investments shall be
20 credited to the fund from which the money was withdrawn,
21 except that interest earned on account of the investment of
22 money realized from the sale of bonds shall be credited to
23 the debt service fund or the building fund, at the
24 discretion of the board of trustees. The placement of the
25 investment by the county treasurer shall not be subject to

1 ratable distribution laws and shall be done in accordance
2 with the directive from the board of trustees. A district
3 may invest moneys under the state unified investment program
4 established in Title 17, chapter 6.

5 (5) report annually to the county superintendent, not
6 later than August 1, the financial activities of each fund
7 maintained by the district during the last completed school
8 fiscal year on the forms prescribed and furnished by the
9 superintendent of public instruction. Annual fiscal reports
10 for joint school districts shall be submitted to the county
11 superintendent of each county in which part of the joint
12 district is situated.

13 (6) whenever requested, report any other fiscal
14 activities to the county superintendent, superintendent of
15 public instruction, or board of public education;

16 (7) cause the accounting records of the district to be
17 audited annually as required by law; and

18 (8) perform, in the manner permitted by law, such
19 other fiscal duties that are in the best interests of the
20 district."

21 **Section 7.** Section 20-10-144, MCA, is amended to read:

22 "20-10-144. Computation of revenues and net tax levy
23 requirements for the transportation fund budget. Before the
24 fourth Monday of July and in accordance with 20-9-123, the
25 county superintendent shall compute the revenue available to

1 finance the transportation fund budget of each district. The
2 county superintendent shall compute the revenue for each
3 district on the following basis:

4 (1) The "schedule amount" of the preliminary budget
5 expenditures that is derived from the rate schedules in
6 20-10-141 and 20-10-142 shall be determined by adding the
7 following amounts:

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

16 (b) the total of all individual transportation per
17 diem reimbursement rates for such district as determined
18 from the contracts submitted by the district multiplied by
19 the number of pupil-instruction days scheduled for the
20 ensuing school attendance year; plus

21 (c) any estimated costs for supervised home study or
22 supervised correspondence study for the ensuing school
23 fiscal year; plus

24 (d) the amount budgeted on the preliminary budget for
25 the contingency amount permitted in 20-10-143, except if

1 such amount exceeds 10% of the total of subsections (1)(a),
2 (1)(b), and (1)(c) or \$100, whichever is larger, the
3 contingency amount on the preliminary budget shall be
4 reduced to such limitation amount and used in this
5 determination of the schedule amount.

6 (2) The schedule amount determined in subsection (1)
7 or the total preliminary transportation fund budget,
8 whichever is smaller, shall be divided by 3 and the
9 resulting one-third amount shall be used to determine the
10 available state and county revenue to be budgeted on the
11 following basis:

12 (a) the resulting one-third amount shall be the
13 budgeted state transportation reimbursement, except that the
14 state transportation reimbursement for the transportation of
15 special education pupils under the provisions of 20-7-442
16 shall be two-thirds of the schedule amount attributed to the
17 transportation of special education pupils;

18 (b) the resulting one-third amount, except as provided
19 for joint elementary districts in subsection (2)(e), shall
20 be the budgeted county transportation reimbursement for
21 elementary districts and shall be financed by the basic
22 county tax under the provisions of 20-9-334;

23 (c) the resulting one-third amount multiplied by 2
24 shall be the budgeted county transportation reimbursement
25 amount for high school districts financed under the

1 provisions of subsection (5) of this section, except as
 2 provided for joint high school districts in subsection
 3 (2)(e), and except that the county transportation
 4 reimbursement for the transportation of special education
 5 pupils under the provisions of 20-7-442 shall be one-third
 6 of the schedule amount attributed to the transportation of
 7 special education pupils;

8 (d) when the district has a sufficient amount of cash
 9 for reappropriation and other sources of district revenue,
 10 as determined in subsection (3), to reduce the total
 11 district obligation for financing to zero, any remaining
 12 amount of such district revenue and cash reappropriated
 13 shall be used to reduce the county financing obligation in
 14 subsections (2)(b) or (2)(c) and, if such county financing
 15 obligations are reduced to zero, to reduce the state
 16 financial obligation in subsection (2)(a); and

17 (e) the county revenue requirement for a joint
 18 district, after the application of any district moneys under
 19 subsection (2)(d) above, shall be prorated to each county
 20 incorporated by the joint district in the same proportion as
 21 the ANB of the joint district is distributed by pupil
 22 residence in each such county.

23 (3) The total of the moneys available for the
 24 reduction of property tax on the district for the
 25 transportation fund shall be determined by totaling:

1 (a) anticipated federal moneys received under the
 2 provisions of Title I of Public Law 81-874 or other
 3 anticipated federal moneys received in lieu of such federal
 4 act; plus

5 (b) anticipated payments from other districts for
 6 providing school bus transportation services for such
 7 district; plus

8 (c) anticipated payments from a parent or guardian for
 9 providing school bus transportation services for his child;
 10 plus

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

14 (e) anticipated or reappropriated revenue from vehicle
 15 property taxes imposed under 61-3-504(2) and 61-3-537; plus

16 (f) net proceeds taxes for interim production and new
 17 production, as defined in 15-23-601; plus

18 (g) any other revenue anticipated by the trustees to
 19 be earned during the ensuing school fiscal year which may be
 20 used to finance the transportation fund; plus

21 (h) any cash available for reappropriation as
 22 determined by subtracting the amount of the end-of-the-year
 23 cash balance earmarked as the transportation fund cash
 24 reserve for the ensuing school fiscal year by the trustees
 25 from the end-of-the-year cash balance in the transportation

1 fund. Such cash reserve shall not be more than 20% of the
 2 final transportation fund budget for the ensuing school
 3 fiscal year and shall be for the purpose of paying
 4 transportation fund warrants issued by the district under
 5 the final transportation fund budget.

6 (4) The district levy requirement for each district's
 7 transportation fund shall be computed by:

8 (a) subtracting the schedule amount calculated in
 9 subsection (1) from the total preliminary transportation
 10 budget amount and, for an elementary district, adding such
 11 difference to the district obligation to finance one-third
 12 of the schedule amount as determined in subsection (2); and

13 (b) subtracting the amount of moneys available to
 14 reduce the property tax on the district, as determined in
 15 subsection (3), from the amount determined in subsection
 16 (4)(a) above.

17 (5) The county levy requirement for the financing of
 18 the county transportation reimbursement to high school
 19 districts shall be computed by adding all such requirements
 20 for all the high school districts of the county, including
 21 the county's obligation for reimbursements in joint high
 22 school districts.

23 (6) The transportation fund levy requirements
 24 determined in subsection (4) for each district and in
 25 subsection (5) for the county shall be reported to the

1 county commissioners on the second Monday of August by the
 2 county superintendent as the transportation fund levy
 3 requirements for the district and for the county, and such
 4 levies shall be made by the county commissioners in
 5 accordance with 20-9-142."

6 NEW SECTION. **Section 8.** Effective date. [This act] is
 7 effective July 1, 1989.

-End-

1 HOUSE BILL NO. 64

2 INTRODUCED BY EUDAILY

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE
5 SCHOOL BUDGETING, FINANCE REPORTING, AND INVESTMENT
6 REQUIREMENTS; AMENDING SECTIONS 20-3-205, 20-3-209,
7 20-9-103, 20-9-111, 20-9-141, 20-9-213, AND 20-10-144, MCA;
8 AND PROVIDING AN EFFECTIVE DATE."
9

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

11 Section 1. Section 20-3-205, MCA, is amended to read:

12 "20-3-205. Powers and duties. The county
13 superintendent has general supervision of the schools of the
14 county within the limitations prescribed by this title and
15 shall perform the following duties or acts:

16 (1) determine, establish, and reestablish trustee
17 nominating districts in accordance with the provisions of
18 20-3-352, 20-3-353, and 20-3-354;

19 (2) administer and file the oaths of members of the
20 boards of trustees of the districts in his county in
21 accordance with the provisions of 20-3-307;

22 (3) register the teacher or specialist certificates or
23 emergency authorization of employment of any person employed
24 in the county as a teacher, specialist, principal, or
25 district superintendent in accordance with the provisions of

1 20-4-202;

2 (4) act on each tuition application submitted to him
3 in accordance with the provisions of 20-5-301, 20-5-302,
4 20-5-304, and 20-5-311 and transmit the tuition information
5 required by 20-5-312;

6 (5) file a copy of the audit report for a district in
7 accordance with the provisions of 20-9-203;

8 (6) classify districts in accordance with the
9 provisions of 20-6-201 and 20-6-301;

10 (7) keep a transcript and reconcile the district
11 boundaries of the county in accordance with the provisions
12 of 20-6-103;

13 (8) fulfill all responsibilities assigned to him under
14 the provisions of this title regulating the organization,
15 alteration, or abandonment of districts;

16 (9) act on any unification proposition and, if
17 approved, establish additional trustee nominating districts
18 in accordance with 20-6-312 and 20-6-313;

19 (10) estimate the average number belonging (ANB) of an
20 opening school in accordance with the provisions of
21 20-6-502, 20-6-503, 20-6-504, or 20-6-506;

22 (11) process and, when required, act on school
23 isolation applications in accordance with the provisions of
24 20-9-302;

25 (12) complete the budgets, compute the budgeted

THIRD READING



1 revenues and tax levies, ~~give--notices--of--the--budget~~
 2 ~~meetings~~, file final and emergency budgets, and fulfill such
 3 other responsibilities assigned to him under the provisions
 4 of this title regulating school budgeting systems;

5 (13) submit an annual financial report to the
 6 superintendent of public instruction in accordance with the
 7 provisions of 20-9-211;

8 (14) quarterly, unless otherwise provided by law, order
 9 the county treasurer to apportion state money, county school
 10 money, and any other school money subject to apportionment
 11 in accordance with the provisions of 20-9-212, 20-9-334,
 12 20-9-347, 20-10-145, or 20-10-146;

13 (15) act on any request to transfer average number
 14 belonging (ANB) in accordance with the provisions of
 15 20-9-313(3);

16 (16) calculate the estimated budgeted general fund
 17 sources of revenue in accordance with the provisions of
 18 20-9-348 and the other general fund revenue provisions of
 19 the general fund part of this title;

20 (17) compute the revenues and the district and county
 21 levy requirements for each fund included in each district's
 22 final budget and report such computations to the board of
 23 county commissioners in accordance with the provisions of
 24 the general fund, transportation, bonds, and other school
 25 funds parts of this title;

1 (18) file and forward bus driver certifications,
 2 transportation contracts, and state transportation
 3 reimbursement claims in accordance with the provisions of
 4 20-10-103, 20-10-143, or 20-10-145;

5 (19) for districts which do not employ a district
 6 superintendent or principal, recommend library book and
 7 textbook selections in accordance with the provisions of
 8 20-7-204 or 20-7-602;

9 (20) notify the superintendent of public instruction of
 10 a textbook dealer's activities when required under the
 11 provisions of 20-7-605 and otherwise comply with the
 12 textbook dealer provisions of this title;

13 (21) act on district requests to allocate federal money
 14 for indigent children for school food services in accordance
 15 with the provisions of 20-10-205;

16 (22) perform any other duty prescribed from time to
 17 time by this title, any other act of the legislature, the
 18 policies of the board of public education, the policies of
 19 the board of regents relating to community college
 20 districts, or the rules of the superintendent of public
 21 instruction;

22 (23) administer the oath of office to trustees without
 23 the receipt of pay for administering the oath;

24 (24) keep a record of his official acts, preserve all
 25 reports submitted to him under the provisions of this title,

1 preserve all books and instructional equipment or supplies,
 2 keep all documents applicable to the administration of the
 3 office, and surrender such records, books, supplies, and
 4 equipment to his successor;

5 (25) within 90 days after the close of the school
 6 fiscal year, publish an annual report ~~a--notice~~ AN ANNUAL
 7 REPORT in the county newspaper stating ~~that~~ the following
 8 financial information ~~for, relating to~~ FOR the school fiscal
 9 year just ended for each district of the county ~~--is~~
 10 available in the county superintendent's office:

11 (a) the total of the cash balances of all funds
 12 maintained by the district at the beginning of the year;

13 (b) the total receipts that were realized in each fund
 14 maintained by the district;

15 (c) the total expenditures that were made from each
 16 fund maintained by the district; and

17 (d) the total of the cash balances of all funds
 18 maintained by the district at the end of the school fiscal
 19 year; and

20 (26) hold meetings for the members of the trustees from
 21 time to time at which matters for the good of the districts
 22 shall be discussed."

23 **Section 2.** Section 20-3-209, MCA, is amended to read:

24 "20-3-209. Annual report and receipt. ~~(1)~~ The county
 25 superintendent of each county shall submit an annual report

1 to the superintendent of public instruction not later than
 2 September 1. Such report shall be completed on the forms
 3 supplied by the superintendent of public instruction which
 4 shall require the reporting of:

5 ~~(a)~~ (1) the final budget information for each district
 6 of the county, as prescribed by 20-9-134(1);

7 ~~(b)~~ (2) the financial activities of each district of
 8 the county for the immediately preceding school fiscal year
 9 as provided by the trustees' annual report to the county
 10 superintendent under the provisions of 20-9-213(5);

11 ~~(c)~~ (3) the pupil information for each district
 12 provided the county superintendent under the provisions of
 13 20-4-301(1)(d) or 20-4-402(7); and

14 ~~(d)~~ (4) any other information that may be requested by
 15 the superintendent of public instruction which is within his
 16 authority prescribed by this title.

17 ~~(2)--When the superintendent of public instruction~~
 18 ~~receives a complete annual report from the county~~
 19 ~~superintendent, he shall immediately issue a receipt for the~~
 20 ~~annual report to such county superintendent. The county~~
 21 ~~superintendent shall present the receipt to the board of~~
 22 ~~county commissioners, and if the county commissioners do not~~
 23 ~~receive the receipt, they shall not pay the county~~
 24 ~~superintendent's salary for the last 2 months of the~~
 25 ~~calendar year until the receipt is presented to them."~~

Section 3. Section 20-9-103, MCA, is amended to read:

"20-9-103. School budget form. (1) The format of the school budget form shall be prescribed by the superintendent of public instruction and shall provide for proper school budgeting procedures in accordance with the budgeting requirements of this title and generally accepted accounting principles. The superintendent of public instruction shall cause a sufficient number of the budget forms to be printed for use by all districts for each school fiscal year.

(2) Each district shall use the budget forms prescribed by the superintendent of public instruction except that a district may in addition, with the approval of the superintendent of public instruction, use a more detailed form."

Section 4. Section 20-9-111, MCA, is amended to read:

"20-9-111. Initial budget items for completion -- ~~estimated-budgeting--authority.~~ (1) ~~During--the--month--of March--the--county--superintendent--shall--complete--the--portions of--the--budget--form--providing--information--about--the--last completed--school--year--and--separate--from--the--budget--form-- estimate--the--maximum--amount--to--be--available--for--the--general fund--budget--in--the--ensuing--year--without--an--additional--levy.~~ By April 10, the county superintendent shall send to each district two copies of the budget form, ~~the--general--fund estimate,~~ and any other information or data as may be

required by the superintendent of public instruction or that the county superintendent may deem necessary.

(2) Upon receipt of the budget forms, the district shall complete those portions of them which require information about the last-completed school year and the then-current school year. The county superintendent shall provide information about the last-completed school year for third-class districts."

Section 5. Section 20-9-141, MCA, is amended to read:

"20-9-141. Computation of general fund net levy requirement by county superintendent. (1) The county superintendent shall compute the levy requirement for each district's general fund on the basis of the following procedure:

(a) Determine the total of the funding required for the district's final general fund budget less the amount established by the schedules in 20-9-316 through 20-9-321 by totaling:

(i) the district's nonisolated school foundation program requirement to be met by a district levy as provided in 20-9-303;

(ii) the district's permissive levy amount as provided in 20-9-352; and

(iii) any general fund budget amount adopted by the trustees of the district under the provisions of 20-9-353,

1 including any additional levies authorized by the electors
2 of the district.

3 (b) Determine the total of the moneys available for
4 the reduction of the property tax on the district for the
5 general fund by totaling:

6 (i) anticipated federal moneys received under the
7 provisions of Title I of Public Law 81-874 or other
8 anticipated federal moneys received in lieu of such federal
9 act;

10 (ii) anticipated tuition payments for out-of-district
11 pupils under the provisions of 20-5-303, 20-5-307, 20-5-312,
12 and 20-5-313;

13 (iii) general fund cash reappropriated, as established
14 under the provisions of 20-9-104;

15 (iv) anticipated or reappropriated state impact aid
16 received under the provisions of 20-9-304;

17 (v) anticipated or reappropriated revenue from vehicle
18 property taxes imposed under 61-3-504(2) and 61-3-537;

19 (vi) anticipated net proceeds taxes for interim
20 production and new production, as defined in 15-23-601;

21 (vii) anticipated interest to be earned or
22 reappropriated interest earned by the investment of general
23 fund cash in accordance with the provisions of 20-9-213(4);
24 and

25 (viii) any other revenue anticipated by the trustees to

1 be received during the ensuing school fiscal year which may
2 be used to finance the general fund.

3 (c) Subtract the total of the moneys available to
4 reduce the property tax required to finance the general fund
5 that has been determined in subsection (1)(b) from the total
6 requirement determined in subsection (1)(a).

7 (2) The net general fund levy requirement determined
8 in subsection (1)(c) shall be reported to the county
9 commissioners on the second Monday of August by the county
10 superintendent as the general fund levy requirement for the
11 district, and a levy shall be made by the county
12 commissioners in accordance with 20-9-142."

13 **Section 6.** Section 20-9-213, MCA, is amended to read:

14 "20-9-213. Duties of trustees. The trustees of each
15 district shall have the sole power and authority to transact
16 all fiscal business and execute all contracts in the name of
17 such district. No person other than the trustees acting as a
18 governing board shall have the authority to expend moneys of
19 the district. In conducting the fiscal business of the
20 district, the trustees shall:

21 (1) cause the keeping of an accurate, detailed
22 accounting of all receipts and expenditures of school moneys
23 for each fund maintained by the district in accordance with
24 rules prescribed by the superintendent of public
25 instruction. The record of such accounting shall be open to

1 public inspection at any meeting of the trustees.

2 (2) authorize all expenditures of district moneys and
3 cause warrants to be issued for the payment of lawful
4 obligations;

5 (3) have the authority to issue warrants on any
6 budgeted fund in anticipation of budgeted revenues, except
7 that such expenditures shall not exceed the amount budgeted
8 for such fund;

9 (4) invest any moneys of the district, whenever in the
10 judgment of the trustees such investment would be
11 advantageous to the district, by directing the county
12 treasurer to invest any money of the district in direct
13 obligations of the United States government, ~~payable--within~~
14 ~~180--days-from-the-time-of-investment,-or~~ in savings or time
15 deposits in a state or national bank, building or loan
16 association, savings and loan association, or credit union
17 insured by the FDIC, FSLIC, or NCUA located in the state, or
18 in a repurchase agreement as authorized in 7-6-213. All
19 interest collected on such deposits or investments shall be
20 credited to the fund from which the money was withdrawn,
21 except that interest earned on account of the investment of
22 money realized from the sale of bonds shall be credited to
23 the debt service fund or the building fund, at the
24 discretion of the board of trustees. The placement of the
25 investment by the county treasurer shall not be subject to

1 ratable distribution laws and shall be done in accordance
2 with the directive from the board of trustees. A district
3 may invest moneys under the state unified investment program
4 established in Title 17, chapter 6.

5 (5) report annually to the county superintendent, not
6 later than August 1, the financial activities of each fund
7 maintained by the district during the last completed school
8 fiscal year on the forms prescribed and furnished by the
9 superintendent of public instruction. Annual fiscal reports
10 for joint school districts shall be submitted to the county
11 superintendent of each county in which part of the joint
12 district is situated.

13 (6) whenever requested, report any other fiscal
14 activities to the county superintendent, superintendent of
15 public instruction, or board of public education;

16 (7) cause the accounting records of the district to be
17 audited annually as required by law; and

18 (8) perform, in the manner permitted by law, such
19 other fiscal duties that are in the best interests of the
20 district."

21 **Section 7.** Section 20-10-144, MCA, is amended to read:

22 **"20-10-144. Computation of revenues and net tax levy**
23 **requirements for the transportation fund budget.** Before the
24 fourth Monday of July and in accordance with 20-9-123, the
25 county superintendent shall compute the revenue available to

1 finance the transportation fund budget of each district. The
 2 county superintendent shall compute the revenue for each
 3 district on the following basis:

4 (1) The "schedule amount" of the preliminary budget
 5 expenditures that is derived from the rate schedules in
 6 20-10-141 and 20-10-142 shall be determined by adding the
 7 following amounts:

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

16 (b) the total of all individual transportation per
 17 diem reimbursement rates for such district as determined
 18 from the contracts submitted by the district multiplied by
 19 the number of pupil-instruction days scheduled for the
 20 ensuing school attendance year; plus

21 (c) any estimated costs for supervised home study or
 22 supervised correspondence study for the ensuing school
 23 fiscal year; plus

24 (d) the amount budgeted on the preliminary budget for
 25 the contingency amount permitted in 20-10-143, except if

1 such amount exceeds 10% of the total of subsections (1)(a),
 2 (1)(b), and (1)(c) or \$100, whichever is larger, the
 3 contingency amount on the preliminary budget shall be
 4 reduced to such limitation amount and used in this
 5 determination of the schedule amount.

6 (2) The schedule amount determined in subsection (1)
 7 or the total preliminary transportation fund budget,
 8 whichever is smaller, shall be divided by 3 and the
 9 resulting one-third amount shall be used to determine the
 10 available state and county revenue to be budgeted on the
 11 following basis:

12 (a) the resulting one-third amount shall be the
 13 budgeted state transportation reimbursement, except that the
 14 state transportation reimbursement for the transportation of
 15 special education pupils under the provisions of 20-7-442
 16 shall be two-thirds of the schedule amount attributed to the
 17 transportation of special education pupils;

18 (b) the resulting one-third amount, except as provided
 19 for joint elementary districts in subsection (2)(e), shall
 20 be the budgeted county transportation reimbursement for
 21 elementary districts and shall be financed by the basic
 22 county tax under the provisions of 20-9-334;

23 (c) the resulting one-third amount multiplied by 2
 24 shall be the budgeted county transportation reimbursement
 25 amount for high school districts financed under the

1 provisions of subsection (5) of this section, except as
 2 provided for joint high school districts in subsection
 3 (2)(e), and except that the county transportation
 4 reimbursement for the transportation of special education
 5 pupils under the provisions of 20-7-442 shall be one-third
 6 of the schedule amount attributed to the transportation of
 7 special education pupils;

8 (d) when the district has a sufficient amount of cash
 9 for reappropriation and other sources of district revenue,
 10 as determined in subsection (3), to reduce the total
 11 district obligation for financing to zero, any remaining
 12 amount of such district revenue and cash reappropriated
 13 shall be used to reduce the county financing obligation in
 14 subsections (2)(b) or (2)(c) and, if such county financing
 15 obligations are reduced to zero, to reduce the state
 16 financial obligation in subsection (2)(a); and

17 (e) the county revenue requirement for a joint
 18 district, after the application of any district moneys under
 19 subsection (2)(d) above, shall be prorated to each county
 20 incorporated by the joint district in the same proportion as
 21 the ANB of the joint district is distributed by pupil
 22 residence in each such county.

23 (3) The total of the moneys available for the
 24 reduction of property tax on the district for the
 25 transportation fund shall be determined by totaling:

1 (a) anticipated federal moneys received under the
 2 provisions of Title I of Public Law 81-874 or other
 3 anticipated federal moneys received in lieu of such federal
 4 act; plus

5 (b) anticipated payments from other districts for
 6 providing school bus transportation services for such
 7 district; plus

8 (c) anticipated payments from a parent or guardian for
 9 providing school bus transportation services for his child;
 10 plus

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

14 (e) anticipated or reappropriated revenue from vehicle
 15 property taxes imposed under 61-3-504(2) and 61-3-537; plus

16 (f) net proceeds taxes for interim production and new
 17 production, as defined in 15-23-601; plus

18 (g) any other revenue anticipated by the trustees to
 19 be earned during the ensuing school fiscal year which may be
 20 used to finance the transportation fund; plus

21 (h) any cash available for reappropriation as
 22 determined by subtracting the amount of the end-of-the-year
 23 cash balance earmarked as the transportation fund cash
 24 reserve for the ensuing school fiscal year by the trustees
 25 from the end-of-the-year cash balance in the transportation

1 fund. Such cash reserve shall not be more than 20% of the
 2 final transportation fund budget for the ensuing school
 3 fiscal year and shall be for the purpose of paying
 4 transportation fund warrants issued by the district under
 5 the final transportation fund budget.

6 (4) The district levy requirement for each district's
 7 transportation fund shall be computed by:

8 (a) subtracting the schedule amount calculated in
 9 subsection (1) from the total preliminary transportation
 10 budget amount and, for an elementary district, adding such
 11 difference to the district obligation to finance one-third
 12 of the schedule amount as determined in subsection (2); and

13 (b) subtracting the amount of moneys available to
 14 reduce the property tax on the district, as determined in
 15 subsection (3), from the amount determined in subsection
 16 (4)(a) above.

17 (5) The county levy requirement for the financing of
 18 the county transportation reimbursement to high school
 19 districts shall be computed by adding all such requirements
 20 for all the high school districts of the county, including
 21 the county's obligation for reimbursements in joint high
 22 school districts.

23 (6) The transportation fund levy requirements
 24 determined in subsection (4) for each district and in
 25 subsection (5) for the county shall be reported to the

1 county commissioners on the second Monday of August by the
 2 county superintendent as the transportation fund levy
 3 requirements for the district and for the county, and such
 4 levies shall be made by the county commissioners in
 5 accordance with 20-9-142."

6 NEW SECTION. **Section 8.** Effective date. [This act] is
 7 effective July 1, 1989.

-End-

1 HOUSE BILL NO. 64

2 INTRODUCED BY EUDAILY

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE
5 SCHOOL BUDGETING, FINANCE REPORTING, AND INVESTMENT
6 REQUIREMENTS; AMENDING SECTIONS 20-3-205, 20-3-209,
7 20-9-103, 20-9-111, 20-9-141, 20-9-213, AND 20-10-144, MCA;
8 AND PROVIDING AN EFFECTIVE DATE."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 20-3-205, MCA, is amended to read:

12 "20-3-205. Powers and duties. The county
13 superintendent has general supervision of the schools of the
14 county within the limitations prescribed by this title and
15 shall perform the following duties or acts:

16 (1) determine, establish, and reestablish trustee
17 nominating districts in accordance with the provisions of
18 20-3-352, 20-3-353, and 20-3-354;

19 (2) administer and file the oaths of members of the
20 boards of trustees of the districts in his county in
21 accordance with the provisions of 20-3-307;

22 (3) register the teacher or specialist certificates or
23 emergency authorization of employment of any person employed
24 in the county as a teacher, specialist, principal, or
25 district superintendent in accordance with the provisions of

1 20-4-202;

2 (4) act on each tuition application submitted to him
3 in accordance with the provisions of 20-5-301, 20-5-302,
4 20-5-304, and 20-5-311 and transmit the tuition information
5 required by 20-5-312;

6 (5) file a copy of the audit report for a district in
7 accordance with the provisions of 20-9-203;

8 (6) classify districts in accordance with the
9 provisions of 20-6-201 and 20-6-301;

10 (7) keep a transcript and reconcile the district
11 boundaries of the county in accordance with the provisions
12 of 20-6-103;

13 (8) fulfill all responsibilities assigned to him under
14 the provisions of this title regulating the organization,
15 alteration, or abandonment of districts;

16 (9) act on any unification proposition and, if
17 approved, establish additional trustee nominating districts
18 in accordance with 20-6-312 and 20-6-313;

19 (10) estimate the average number belonging (ANB) of an
20 opening school in accordance with the provisions of
21 20-6-502, 20-6-503, 20-6-504, or 20-6-506;

22 (11) process and, when required, act on school
23 isolation applications in accordance with the provisions of
24 20-9-302;

25 (12) complete the budgets, compute the budgeted

REFERENCE BILL

HB 64

1 revenues and tax levies, ~~give--notices--of--the--budget~~
 2 ~~meetings~~, file final and emergency budgets, and fulfill such
 3 other responsibilities assigned to him under the provisions
 4 of this title regulating school budgeting systems;

5 (13) submit an annual financial report to the
 6 superintendent of public instruction in accordance with the
 7 provisions of 20-9-211;

8 (14) quarterly, unless otherwise provided by law, order
 9 the county treasurer to apportion state money, county school
 10 money, and any other school money subject to apportionment
 11 in accordance with the provisions of 20-9-212, 20-9-334,
 12 20-9-347, 20-10-145, or 20-10-146;

13 (15) act on any request to transfer average number
 14 belonging (ANB) in accordance with the provisions of
 15 20-9-313(3);

16 (16) calculate the estimated budgeted general fund
 17 sources of revenue in accordance with the provisions of
 18 20-9-348 and the other general fund revenue provisions of
 19 the general fund part of this title;

20 (17) compute the revenues and the district and county
 21 levy requirements for each fund included in each district's
 22 final budget and report such computations to the board of
 23 county commissioners in accordance with the provisions of
 24 the general fund, transportation, bonds, and other school
 25 funds parts of this title;

1 (18) file and forward bus driver certifications,
 2 transportation contracts, and state transportation
 3 reimbursement claims in accordance with the provisions of
 4 20-10-103, 20-10-143, or 20-10-145;

5 (19) for districts which do not employ a district
 6 superintendent or principal, recommend library book and
 7 textbook selections in accordance with the provisions of
 8 20-7-204 or 20-7-602;

9 (20) notify the superintendent of public instruction of
 10 a textbook dealer's activities when required under the
 11 provisions of 20-7-605 and otherwise comply with the
 12 textbook dealer provisions of this title;

13 (21) act on district requests to allocate federal money
 14 for indigent children for school food services in accordance
 15 with the provisions of 20-10-205;

16 (22) perform any other duty prescribed from time to
 17 time by this title, any other act of the legislature, the
 18 policies of the board of public education, the policies of
 19 the board of regents relating to community college
 20 districts, or the rules of the superintendent of public
 21 instruction;

22 (23) administer the oath of office to trustees without
 23 the receipt of pay for administering the oath;

24 (24) keep a record of his official acts, preserve all
 25 reports submitted to him under the provisions of this title,

1 preserve all books and instructional equipment or supplies,
2 keep all documents applicable to the administration of the
3 office, and surrender such records, books, supplies, and
4 equipment to his successor;

5 (25) within 90 days after the close of the school
6 fiscal year, publish an annual report ~~a--notice~~ AN ANNUAL
7 REPORT in the county newspaper stating that the following
8 financial information ~~for, relating to~~ FOR the school fiscal
9 year just ended for each district of the county ~~--is~~
10 available in the county superintendent's office:

11 (a) the total of the cash balances of all funds
12 maintained by the district at the beginning of the year;

13 (b) the total receipts that were realized in each fund
14 maintained by the district;

15 (c) the total expenditures that were made from each
16 fund maintained by the district; and

17 (d) the total of the cash balances of all funds
18 maintained by the district at the end of the school fiscal
19 year; and

20 (26) hold meetings for the members of the trustees from
21 time to time at which matters for the good of the districts
22 shall be discussed."

23 **Section 2.** Section 20-3-209, MCA, is amended to read:

24 "20-3-209. Annual report and receipt. (1) The county
25 superintendent of each county shall submit an annual report

1 to the superintendent of public instruction not later than
2 September 1. Such report shall be completed on the forms
3 supplied by the superintendent of public instruction which
4 shall require the reporting of:

5 (a)(1) the final budget information for each district
6 of the county, as prescribed by 20-9-134(1);

7 (b)(2) the financial activities of each district of
8 the county for the immediately preceding school fiscal year
9 as provided by the trustees' annual report to the county
10 superintendent under the provisions of 20-9-213(5);

11 (c)(3) the pupil information for each district
12 provided the county superintendent under the provisions of
13 20-4-301(1)(d) or 20-4-402(7); and

14 (d)(4) any other information that may be requested by
15 the superintendent of public instruction which is within his
16 authority prescribed by this title.

17 (2) ~~When the superintendent of public instruction~~
18 ~~receives a complete annual report from the county~~
19 ~~superintendent, he shall immediately issue a receipt for the~~
20 ~~annual report to such county superintendent. The county~~
21 ~~superintendent shall present the receipt to the board of~~
22 ~~county commissioners, and if the county commissioners do not~~
23 ~~receive the receipt, they shall not pay the county~~
24 ~~superintendent's salary for the last 2 months of the~~
25 ~~calendar year until the receipt is presented to them."~~

Section 3. Section 20-9-103, MCA, is amended to read:

"20-9-103. School budget form. (1) The format of the school budget form shall be prescribed by the superintendent of public instruction and shall provide for proper school budgeting procedures in accordance with the budgeting requirements of this title and generally accepted accounting principles. The superintendent of public instruction shall cause a sufficient number of the budget forms to be printed for use by all districts for each school fiscal year.

(2) Each district shall use the budget forms prescribed by the superintendent of public instruction except that a district may in addition, with the approval of the superintendent of public instruction, use a more detailed form."

Section 4. Section 20-9-111, MCA, is amended to read:

"20-9-111. Initial budget items for completion -- ~~estimated-budgeting--authority.~~ (1) ~~During--the--month--of March,--the--county--superintendent--shall--complete--the--portions of--the--budget--form--providing--information--about--the--last completed--school--year--and,--separate--from--the--budget--form, estimate--the--maximum--amount--to--be--available--for--the--general fund--budget--in--the--ensuing--year--without--an--additional--levy.~~ By April 10, the county superintendent shall send to each district two copies of the budget form, ~~the--general--fund estimate,~~ and any other information or data as may be

required by the superintendent of public instruction or that the county superintendent may deem necessary.

(2) Upon receipt of the budget forms, the district shall complete those portions of them which require information about the last-completed school year and the then-current school year. The county superintendent shall provide information about the last-completed school year for third-class districts."

Section 5. Section 20-9-141, MCA, is amended to read:

"20-9-141. Computation of general fund net levy requirement by county superintendent. (1) The county superintendent shall compute the levy requirement for each district's general fund on the basis of the following procedure:

(a) Determine the total of the funding required for the district's final general fund budget less the amount established by the schedules in 20-9-316 through 20-9-321 by totaling:

(i) the district's nonisolated school foundation program requirement to be met by a district levy as provided in 20-9-303;

(ii) the district's permissive levy amount as provided in 20-9-352; and

(iii) any general fund budget amount adopted by the trustees of the district under the provisions of 20-9-353,

1 including any additional levies authorized by the electors
2 of the district.

3 (b) Determine the total of the moneys available for
4 the reduction of the property tax on the district for the
5 general fund by totaling:

6 (i) anticipated federal moneys received under the
7 provisions of Title I of Public Law 81-874 or other
8 anticipated federal moneys received in lieu of such federal
9 act;

10 (ii) anticipated tuition payments for out-of-district
11 pupils under the provisions of 20-5-303, 20-5-307, 20-5-312,
12 and 20-5-313;

13 (iii) general fund cash reappropriated, as established
14 under the provisions of 20-9-104;

15 (iv) anticipated or reappropriated state impact aid
16 received under the provisions of 20-9-304;

17 (v) anticipated or reappropriated revenue from vehicle
18 property taxes imposed under 61-3-504(2) and 61-3-537;

19 (vi) anticipated net proceeds taxes for interim
20 production and new production, as defined in 15-23-601;

21 (vii) anticipated interest to be earned or
22 reappropriated interest earned by the investment of general
23 fund cash in accordance with the provisions of 20-9-213(4);
24 and

25 (viii) any other revenue anticipated by the trustees to

1 be received during the ensuing school fiscal year which may
2 be used to finance the general fund.

3 (c) Subtract the total of the moneys available to
4 reduce the property tax required to finance the general fund
5 that has been determined in subsection (1)(b) from the total
6 requirement determined in subsection (1)(a).

7 (2) The net general fund levy requirement determined
8 in subsection (1)(c) shall be reported to the county
9 commissioners on the second Monday of August by the county
10 superintendent as the general fund levy requirement for the
11 district, and a levy shall be made by the county
12 commissioners in accordance with 20-9-142."

13 **Section 6.** Section 20-9-213, MCA, is amended to read:

14 "20-9-213. Duties of trustees. The trustees of each
15 district shall have the sole power and authority to transact
16 all fiscal business and execute all contracts in the name of
17 such district. No person other than the trustees acting as a
18 governing board shall have the authority to expend moneys of
19 the district. In conducting the fiscal business of the
20 district, the trustees shall:

21 (1) cause the keeping of an accurate, detailed
22 accounting of all receipts and expenditures of school moneys
23 for each fund maintained by the district in accordance with
24 rules prescribed by the superintendent of public
25 instruction. The record of such accounting shall be open to

1 public inspection at any meeting of the trustees.

2 (2) authorize all expenditures of district moneys and
3 cause warrants to be issued for the payment of lawful
4 obligations;

5 (3) have the authority to issue warrants on any
6 budgeted fund in anticipation of budgeted revenues, except
7 that such expenditures shall not exceed the amount budgeted
8 for such fund;

9 (4) invest any moneys of the district, whenever in the
10 judgment of the trustees such investment would be
11 advantageous to the district, by directing the county
12 treasurer to invest any money of the district in direct
13 obligations of the United States government, payable--within
14 ~~180--days-from-the-time-of-investment, or~~ in savings or time
15 deposits in a state or national bank, building or loan
16 association, savings and loan association, or credit union
17 insured by the FDIC, FSLIC, or NCUA located in the state, or
18 in a repurchase agreement as authorized in 7-6-213. All
19 interest collected on such deposits or investments shall be
20 credited to the fund from which the money was withdrawn,
21 except that interest earned on account of the investment of
22 money realized from the sale of bonds shall be credited to
23 the debt service fund or the building fund, at the
24 discretion of the board of trustees. The placement of the
25 investment by the county treasurer shall not be subject to

1 ratable distribution laws and shall be done in accordance
2 with the directive from the board of trustees. A district
3 may invest moneys under the state unified investment program
4 established in Title 17, chapter 6.

5 (5) report annually to the county superintendent, not
6 later than August 1, the financial activities of each fund
7 maintained by the district during the last completed school
8 fiscal year on the forms prescribed and furnished by the
9 superintendent of public instruction. Annual fiscal reports
10 for joint school districts shall be submitted to the county
11 superintendent of each county in which part of the joint
12 district is situated.

13 (6) whenever requested, report any other fiscal
14 activities to the county superintendent, superintendent of
15 public instruction, or board of public education;

16 (7) cause the accounting records of the district to be
17 audited annually as required by law; and

18 (8) perform, in the manner permitted by law, such
19 other fiscal duties that are in the best interests of the
20 district."

21 **Section 7.** Section 20-10-144, MCA, is amended to read:

22 **"20-10-144. Computation of revenues and net tax levy**
23 **requirements for the transportation fund budget.** Before the
24 fourth Monday of July and in accordance with 20-9-123, the
25 county superintendent shall compute the revenue available to

1 finance the transportation fund budget of each district. The
2 county superintendent shall compute the revenue for each
3 district on the following basis:

4 (1) The "schedule amount" of the preliminary budget
5 expenditures that is derived from the rate schedules in
6 20-10-141 and 20-10-142 shall be determined by adding the
7 following amounts:

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

16 (b) the total of all individual transportation per
17 diem reimbursement rates for such district as determined
18 from the contracts submitted by the district multiplied by
19 the number of pupil-instruction days scheduled for the
20 ensuing school attendance year; plus

21 (c) any estimated costs for supervised home study or
22 supervised correspondence study for the ensuing school
23 fiscal year; plus

24 (d) the amount budgeted on the preliminary budget for
25 the contingency amount permitted in 20-10-143, except if

1 such amount exceeds 10% of the total of subsections (1)(a),
2 (1)(b), and (1)(c) or \$100, whichever is larger, the
3 contingency amount on the preliminary budget shall be
4 reduced to such limitation amount and used in this
5 determination of the schedule amount.

6 (2) The schedule amount determined in subsection (1)
7 or the total preliminary transportation fund budget,
8 whichever is smaller, shall be divided by 3 and the
9 resulting one-third amount shall be used to determine the
10 available state and county revenue to be budgeted on the
11 following basis:

12 (a) the resulting one-third amount shall be the
13 budgeted state transportation reimbursement, except that the
14 state transportation reimbursement for the transportation of
15 special education pupils under the provisions of 20-7-442
16 shall be two-thirds of the schedule amount attributed to the
17 transportation of special education pupils;

18 (b) the resulting one-third amount, except as provided
19 for joint elementary districts in subsection (2)(e), shall
20 be the budgeted county transportation reimbursement for
21 elementary districts and shall be financed by the basic
22 county tax under the provisions of 20-9-334;

23 (c) the resulting one-third amount multiplied by 2
24 shall be the budgeted county transportation reimbursement
25 amount for high school districts financed under the

provisions of subsection (5) of this section, except as provided for joint high school districts in subsection (2)(e), and except that the county transportation reimbursement for the transportation of special education pupils under the provisions of 20-7-442 shall be one-third of the schedule amount attributed to the transportation of special education pupils;

(d) when the district has a sufficient amount of cash for reappropriation and other sources of district revenue, as determined in subsection (3), to reduce the total district obligation for financing to zero, any remaining amount of such district revenue and cash reappropriated shall be used to reduce the county financing obligation in subsections (2)(b) or (2)(c) and, if such county financing obligations are reduced to zero, to reduce the state financial obligation in subsection (2)(a); and

(e) the county revenue requirement for a joint district, after the application of any district moneys under subsection (2)(d) above, shall be prorated to each county incorporated by the joint district in the same proportion as the ANB of the joint district is distributed by pupil residence in each such county.

(3) The total of the moneys available for the reduction of property tax on the district for the transportation fund shall be determined by totaling:

(a) anticipated federal moneys received under the provisions of Title I of Public Law 81-874 or other anticipated federal moneys received in lieu of such federal act; plus

(b) anticipated payments from other districts for providing school bus transportation services for such district; plus

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

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

(e) anticipated or reappropriated revenue from vehicle property taxes imposed under 61-3-504(2) and 61-3-537; plus

(f) net proceeds taxes for interim production and new production, as defined in 15-23-601; plus

(g) any other revenue anticipated by the trustees to be earned during the ensuing school fiscal year which may be used to finance the transportation fund; plus

(h) any cash available for reappropriation as determined by subtracting the amount of the end-of-the-year cash balance earmarked as the transportation fund cash reserve for the ensuing school fiscal year by the trustees from the end-of-the-year cash balance in the transportation

1 fund. Such cash reserve shall not be more than 20% of the
 2 final transportation fund budget for the ensuing school
 3 fiscal year and shall be for the purpose of paying
 4 transportation fund warrants issued by the district under
 5 the final transportation fund budget.

6 (4) The district levy requirement for each district's
 7 transportation fund shall be computed by:

8 (a) subtracting the schedule amount calculated in
 9 subsection (1) from the total preliminary transportation
 10 budget amount and, for an elementary district, adding such
 11 difference to the district obligation to finance one-third
 12 of the schedule amount as determined in subsection (2); and

13 (b) subtracting the amount of moneys available to
 14 reduce the property tax on the district, as determined in
 15 subsection (3), from the amount determined in subsection
 16 (4)(a) above.

17 (5) The county levy requirement for the financing of
 18 the county transportation reimbursement to high school
 19 districts shall be computed by adding all such requirements
 20 for all the high school districts of the county, including
 21 the county's obligation for reimbursements in joint high
 22 school districts.

23 (6) The transportation fund levy requirements
 24 determined in subsection (4) for each district and in
 25 subsection (5) for the county shall be reported to the

1 county commissioners on the second Monday of August by the
 2 county superintendent as the transportation fund levy
 3 requirements for the district and for the county, and such
 4 levies shall be made by the county commissioners in
 5 accordance with 20-9-142."

6 NEW SECTION. **Section 8.** Effective date. [This act] is
 7 effective July 1, 1989.

-End-