

SENATE BILL 34

Introduced by Blaylock, et al.

12/03	Introduced
12/03	Referred to Education & Cultural Resources
12/03	First Reading
12/03	Fiscal Note Requested
12/06	Hearing
12/08	Fiscal Note Received
12/08	Fiscal Note Printed
12/08	Committee Report--Bill Passed as Amended
12/09	2nd Reading Do Pass Motion Failed
12/09	2nd Reading Indefinitely Postponed

1 **SENATE** BILL NO. 34
2 INTRODUCED BY Blaylock Swanson
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING STATE AND
5 COUNTY FUNDING FOR SCHOOL DISTRICT TRANSPORTATION PROGRAMS;
6 PROVIDING FOR TRANSPORTATION OF SPECIAL EDUCATION PUPILS
7 THROUGH THE SPECIAL EDUCATION ALLOWABLE COST RELATED
8 SERVICES PAYMENT; ELIMINATING COUNTY TRANSPORTATION
9 COMMITTEES AND VARIOUS SCHOOL TRANSPORTATION DUTIES OF THE
10 COUNTY SUPERINTENDENT OF SCHOOLS; REQUIRING THE TRUSTEES OF
11 A DISTRICT TO SEEK VOTER APPROVAL FOR A TRANSPORTATION FUND
12 BUDGET; TRANSFERRING THE ENDING CASH BALANCE FOR THE COUNTY
13 TRANSPORTATION FUND TO THE BASIC SPECIAL TAX FOR HIGH
14 SCHOOLS ACCOUNT; AMENDING SECTIONS 17-3-213, 20-3-104,
15 20-3-106, 20-3-107, 20-3-205, 20-3-206, 20-5-102, 20-5-321,
16 20-5-323, 20-5-324, 20-6-401, 20-6-406, 20-7-420, 20-7-421,
17 20-7-424, 20-7-431, 20-7-441, 20-7-443, 20-9-166, 20-9-212,
18 20-9-506, 20-10-101, 20-10-103, 20-10-104, 20-10-107,
19 20-10-111, 20-10-124, 20-10-143, AND 20-10-144, MCA;
20 REPEALING SECTIONS 20-7-442, 20-10-105, 20-10-106,
21 20-10-112, 20-10-121, 20-10-122, 20-10-123, 20-10-131,
22 20-10-132, 20-10-141, 20-10-142, 20-10-145, AND 20-10-146,
23 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN
24 APPLICABILITY DATE."
25

1 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
2 **Section 1.** Section 17-3-213, MCA, is amended to read:
3 "17-3-213. Allocation to general road fund and
4 countywide school levies. (1) The forest reserve funds so
5 apportioned to each county must be apportioned by the county
6 treasurer in each county as follows:
7 (a) to the general road fund, 66 2/3% of the total
8 amount received;
9 (b) to the following countywide school levies, 33 1/3%
10 of the total sum received:
11 (i) county equalization for elementary schools provided
12 for in 20-9-331; and
13 (ii) county equalization for high schools provided for
14 in 20-9-333; and
15 (iii) ~~the county transportation fund provided for in~~
16 ~~20-10-146; and~~
17 ~~(iv)~~ the elementary and high school district retirement
18 fund obligations provided for in 20-9-501.
19 (2) The apportionment of money to the funds provided
20 for under subsection (1)(b) must be made by the county
21 superintendent based on the proportion that the mill levy of
22 each fund bears to the total number of mills for all the
23 funds. Whenever the total amount of money available for
24 apportionment under this section is greater than the total
25 requirements of a levy, the excess money and any interest

income must be retained in a separate reserve fund, to be reapportioned in the ensuing school fiscal year to the levies designated in subsection (1)(b).

(3) In counties in which special road districts have been created according to law, the board of county commissioners shall distribute a proportionate share of the 66 2/3% of the total amount received for the general road fund to the special road districts within the county based upon the percentage that the total area of the road district bears to the total area of the entire county."

Section 2. Section 20-3-104, MCA, is amended to read:

"20-3-104. Discretionary staff. In addition to the positions of employment listed in 20-3-103, the superintendent of public instruction may employ:

(1) one or more assistant superintendents, one of whom may be designated as assistant superintendent for vocational education;

(2) a high school supervisor who is the holder of a class 3 teacher certificate with a district superintendent endorsement;

(3) an elementary supervisor who is the holder of a valid teacher certificate;

(4) ~~a competent person to develop economy and efficiency in school transportation and to otherwise supervise the transportation program;~~

(5) a music supervisor who is a graduate of an accredited institution of higher education in music education and who has not less than 5 years of teaching experience;

(6) an educational media supervisor who is a graduate of an accredited institution of higher education and who has experience in the field of educational media; and

(7) (6) any other supervisors or assistants as may be required to carry out the duties of ~~his~~ the office."

Section 3. Section 20-3-106, MCA, is amended to read:

"20-3-106. Supervision of schools -- powers and duties. The superintendent of public instruction has the general supervision of the public schools and districts of the state and shall perform the following duties or acts in implementing and enforcing the provisions of this title:

(1) resolve any controversy resulting from the proration of costs by a joint board of trustees under the provisions of 20-3-362;

(2) issue, renew, or deny teacher certification and emergency authorizations of employment;

(3) negotiate reciprocal tuition agreements with other states in accordance with the provisions of 20-5-314;

(4) serve on the teachers' retirement board in accordance with the provisions of 2-15-1010;

1 (5) approve or disapprove the orders of a high school
 2 boundary commission in accordance with the provisions of
 3 20-6-311;
 4 (6) approve or disapprove the opening or reopening of a
 5 school in accordance with the provisions of 20-6-502,
 6 20-6-503, 20-6-504, or 20-6-505;
 7 (7) approve or disapprove school isolation within the
 8 limitations prescribed by 20-9-302;
 9 (8) generally supervise the school budgeting procedures
 10 prescribed by law in accordance with the provisions of
 11 20-9-102 and prescribe the school budget format in
 12 accordance with the provisions of 20-9-103 and 20-9-506;
 13 (9) establish a system of communication for calculating
 14 joint district revenues in accordance with the provisions of
 15 20-9-151;
 16 (10) approve or disapprove the adoption of a district's
 17 budget amendment resolution under the conditions prescribed
 18 in 20-9-163 and adopt rules for an application for
 19 additional direct state aid for a budget amendment in
 20 accordance with the approval and disbursement provisions of
 21 20-9-166;
 22 (11) generally supervise the school financial
 23 administration provisions as prescribed by 20-9-201(2);
 24 (12) prescribe and furnish the annual report forms to
 25 enable the districts to report to the county superintendent

1 in accordance with the provisions of 20-9-213(5) and the
 2 annual report forms to enable the county superintendents to
 3 report to the superintendent of public instruction in
 4 accordance with the provisions of 20-3-209;
 5 (13) approve, disapprove, or adjust an increase of the
 6 average number belonging (ANB) in accordance with the
 7 provisions of 20-9-313 and 20-9-314;
 8 (14) distribute BASE aid and special education allowable
 9 cost payments in support of the BASE funding program, in
 10 accordance with the provisions of 20-9-331, 20-9-333,
 11 20-9-342, 20-9-346, 20-9-347, and 20-9-366 through 20-9-369;
 12 ~~(15) provide for the uniform and equal provision of~~
 13 ~~transportation by performing the duties prescribed by the~~
 14 ~~provisions of 20-10-112;~~
 15 ~~(16)~~ (15) approve or disapprove an adult education
 16 program for which a district proposes to levy a tax in
 17 accordance with the provisions of 20-7-705;
 18 ~~(17)~~ (16) request, accept, deposit, and expend federal
 19 money in accordance with the provisions of 20-9-603;
 20 ~~(18)~~ (17) authorize the use of federal money for the
 21 support of an interlocal cooperative agreement in accordance
 22 with the provisions of 20-9-703 and 20-9-704;
 23 ~~(19)~~ (18) prescribe the form and contents of and approve
 24 or disapprove interstate contracts in accordance with the
 25 provisions of 20-9-705;

1 ~~†20†~~(19) approve or disapprove the conduct of school on
 2 a Saturday or on pupil-instruction-related days in
 3 accordance with the provisions of 20-1-303 and 20-1-304;
 4 ~~†21†~~(20) recommend standards of accreditation for all
 5 schools to the board of public education and evaluate
 6 compliance with the standards and recommend accreditation
 7 status of every school to the board of public education in
 8 accordance with the provisions of 20-7-101 and 20-7-102;
 9 ~~†22†~~(21) collect and maintain a file of curriculum
 10 guides and assist schools with instructional programs in
 11 accordance with the provisions of 20-7-113 and 20-7-114;
 12 ~~†23†~~(22) establish and maintain a library of visual,
 13 aural, and other educational media in accordance with the
 14 provisions of 20-7-201;
 15 ~~†24†~~(23) license textbook dealers and initiate
 16 prosecution of textbook dealers violating the law in
 17 accordance with the provisions of the textbooks part of this
 18 title;
 19 ~~†25†~~(24) as the governing agent and executive officer of
 20 the state of Montana for K-12 vocational education, adopt
 21 the policies prescribed by and in accordance with the
 22 provisions of 20-7-301;
 23 ~~†26†~~(25) supervise and coordinate the conduct of special
 24 education in the state in accordance with the provisions of
 25 20-7-403;

1 ~~†27†~~(26) administer the traffic education program in
 2 accordance with the provisions of 20-7-502;
 3 ~~†28†~~(27) administer the school food services program in
 4 accordance with the provisions of 20-10-201, 20-10-202, and
 5 20-10-203;
 6 ~~†29†~~(28) review school building plans and specifications
 7 in accordance with the provisions of 20-6-622;
 8 ~~†30†~~(29) prescribe the method of identification and
 9 signals to be used by school safety patrols in accordance
 10 with the provisions of 20-1-408;
 11 ~~†31†~~(30) provide schools with information and technical
 12 assistance for compliance with the student assessment rules
 13 provided for in 20-2-121 and collect and summarize the
 14 results of the student assessment for the board of public
 15 education and the legislature;
 16 ~~†32†~~(31) administer the distribution of guaranteed tax
 17 base aid in accordance with 20-9-366 through 20-9-369; and
 18 ~~†33†~~(32) perform any other duty prescribed from time to
 19 time by this title, any other act of the legislature, or the
 20 policies of the board of public education."
 21 **Section 4.** Section 20-3-107, MCA, is amended to read:
 22 **"20-3-107. Controversy appeal.** (1) The superintendent
 23 of public instruction shall decide matters of controversy
 24 when they are appealed from:
 25 ~~†a†~~ a decision of a county superintendent rendered

under the provisions of 20-3-2107-~~or~~

~~(b)--a-decision-of--a--county--transportation--committee
rendered-under-the-provisions-of-20-10-132.~~

(2) The superintendent of public instruction shall make his a decision on the basis of the transcript of the fact-finding hearing conducted by the county superintendent ~~or--county--transportation-committee~~ and documents presented at the hearing. The superintendent of public instruction may require, if ~~he-deems~~ it is considered necessary, affidavits, verified statements, or sworn testimony as to the facts in issue. The decision of the superintendent of public instruction ~~shall-be~~ is final, subject to the proper legal remedies in the state courts. ~~Such~~ The proceedings ~~shall~~ must be commenced no later than 60 days after the date of the decision of the superintendent of public instruction.

(3) In order to establish a uniform method of hearing and determining matters of controversy arising under this title, the superintendent of public instruction shall prescribe and enforce rules of practice and regulations for the conduct of hearings and the determination of appeals by all school officials of the state.

(4) Whenever in a contested case the superintendent of public instruction is disqualified from rendering a final decision, he the superintendent of public instruction shall appoint a hearing examiner as provided in 2-4-611 and the

decision of the hearing examiner constitutes the superintendent's final order except as provided in this subsection. Such A final order is subject to all the provisions of Title 2, chapter 4, relating to final agency decisions or orders, including judicial review under Title 2, chapter 4, part 7."

Section 5. 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 the 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 ~~and--transportation~~ obligation submitted in accordance with the provisions of 20-5-323 and 20-5-324;

1 (5) file a copy of the audit report for a district in
 2 accordance with the provisions of 20-9-203;
 3 (6) classify districts in accordance with the
 4 provisions of 20-6-201 and 20-6-301;
 5 (7) keep a transcript and reconcile the district
 6 boundaries of the county in accordance with the provisions
 7 of 20-6-103;
 8 (8) fulfill all responsibilities assigned under the
 9 provisions of this title regulating the organization,
 10 alteration, or abandonment of districts;
 11 (9) act on any unification proposition and, if
 12 approved, establish additional trustee nominating districts
 13 in accordance with 20-6-312 and 20-6-313;
 14 (10) estimate the average number belonging (ANB) of an
 15 opening school in accordance with the provisions of
 16 20-6-502, 20-6-503, 20-6-504, or 20-6-506;
 17 (11) process and, when required, act on school isolation
 18 applications in accordance with the provisions of 20-9-302;
 19 (12) complete the budgets, compute the budgeted revenues
 20 and tax levies, file final budgets and budget amendments,
 21 and fulfill other responsibilities assigned under the
 22 provisions of this title regulating school budgeting
 23 systems;
 24 (13) submit an annual financial report to the
 25 superintendent of public instruction in accordance with the

1 provisions of 20-9-211;
 2 (14) monthly, unless otherwise provided by law, order
 3 the county treasurer to apportion state money, county school
 4 money, and any other school money subject to apportionment
 5 in accordance with the provisions of 20-9-212, 20-9-334, or
 6 20-9-347, ~~20-10-145, or 20-10-146~~;
 7 (15) act on any request to transfer average number
 8 belonging (ANB) in accordance with the provisions of
 9 20-9-313(3);
 10 (16) calculate the estimated budgeted general fund
 11 sources of revenue in accordance with the general fund
 12 revenue provisions of the general fund part of this title;
 13 (17) compute the revenues revenue and the district and
 14 county levy requirements for each fund included in each
 15 district's final budget and report the computations to the
 16 board of county commissioners in accordance with the
 17 provisions of the general fund, transportation, bonds, and
 18 other school funds parts of this title;
 19 (18) file ~~and--forward~~ bus driver certifications,
 20 ~~transportation----contracts,----and---state---transportation~~
 21 ~~reimbursement-claims~~ in accordance with the provisions of
 22 20-10-103, ~~20-10-143, or 20-10-145~~;
 23 (19) for districts that do not employ a district
 24 superintendent or principal, recommend library book and
 25 textbook selections in accordance with the provisions of

1 20-7-204 or 20-7-602;

2 (20) notify the superintendent of public instruction of
3 a textbook dealer's activities when required under the
4 provisions of 20-7-605 and otherwise comply with the
5 textbook dealer provisions of this title;

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

9 (22) perform any other duty prescribed ~~from-time-to-time~~
10 by this title, any other act of the legislature, the
11 policies of the board of public education, the policies of
12 the board of regents relating to community college
13 districts, or the rules of the superintendent of public
14 instruction;

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

17 (24) keep a record of official acts, preserve all
18 reports submitted to the superintendent under the provisions
19 of this title, preserve all books and instructional
20 equipment or supplies, keep all documents applicable to the
21 administration of the office, and surrender all records,
22 books, supplies, and equipment to the next superintendent;

23 (25) within 90 days after the close of the school fiscal
24 year, publish an annual report in the county newspaper
25 stating the following financial information for the school

1 fiscal year just ended for each district of the county:

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

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

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

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

11 (26) hold meetings for the members of the trustees ~~from~~
12 ~~time-to-time~~ at which matters for the good of the districts
13 must be discussed."

14 **Section 6.** Section 20-3-206, MCA, is amended to read:

15 "20-3-206. Additional positions. ~~in--his--capacity-as~~
16 ~~county-superintendent,-he~~ The county superintendent also
17 shall serve as:

18 (1) ~~the---chairman---of---the---county---transportation~~
19 ~~committee,-as-prescribed-by-20-10-131;~~

20 {2} a member of the high school boundary commission of
21 the county, as prescribed by 20-6-304;

22 {3}{2} an attendance officer for a district under the
23 conditions prescribed by 20-5-104; and

24 {4}{3} the clerk of a joint board of trustees under the
25 conditions prescribed by 20-3-361."

Section 7. Section 20-5-102, MCA, is amended to read:

"20-5-102. Compulsory enrollment and excuses. (1)

Except as provided in subsection (2), any parent, guardian, or other person who is responsible for the care of any child who is 7 years of age or older prior to the first day of school in any school fiscal year shall cause the child to be instructed in the program prescribed by the board of public education pursuant to 20-7-111 until the later of the following dates:

(a) the child's 16th birthday;

(b) the date of completion of the work of the 8th grade.

(2) A parent, guardian, or other person shall enroll the child in the school assigned by the trustees of the district within the first week of the school term or when he the child establishes residence in the district unless the child is:

(a) enrolled in a school of another district or state under any of the tuition provisions of this title;

(b) ~~provided--with--supervised--correspondence-study-or supervised-home-study-under-the-transportation-provisions-of this-title;~~

(c) excused from compulsory school attendance upon a determination by a district judge that attendance is not in the best interest of the child;

(d)(c) excused by the board of trustees upon a determination that attendance by a child who has attained the age of 16 is not in the best interest of the child and the school; or

(e)(d) enrolled in a nonpublic or home school that complies with the provisions of 20-5-109. For the purposes of this subsection (e) (d), a home school is the instruction by a parent of his a child, stepchild, or ward in his the parent's residence and a nonpublic school includes a parochial, church, religious, or private school."

Section 8. Section 20-5-321, MCA, is amended to read:

"20-5-321. Attendance with mandatory approval -- tuition and---transportation. (1) An out-of-district attendance agreement that allows a child to enroll in and attend a school in a Montana school district that is outside of the child's district of residence or in a public school district of a state or province that is adjacent to the county of the child's residence is mandatory whenever:

(a) the child resides closer to the school than the child wishes to attend and more than 3 miles from the school the child would attend in the resident district;

(b) the child resides in a location where, due to road or geographic conditions, it is impractical to attend the school nearest the child's residence;

(c) the child is a member of a family who must send

1 another child outside of the elementary district to attend
 2 high school and the child of elementary age may more
 3 conveniently attend an elementary school where the high
 4 school is located, provided the child resides more than 3
 5 miles from an elementary school in the resident district or
 6 the parent must move to the elementary district where the
 7 high school is located to enroll another child in high
 8 school;

9 (d) the child has been adjudicated by a court of
 10 competent jurisdiction to be an abused, neglected, or
 11 dependent child, as defined in 41-3-102, or a youth in need
 12 of supervision or a delinquent youth, as defined in
 13 41-5-103, and has been placed in a licensed youth care
 14 facility that is approved by the department of family
 15 services and, as a result of the placement, is required to
 16 attend school outside of the child's district of residence;
 17 or

18 (e) the child is required to attend school outside of
 19 the district of residence as the result of a placement by a
 20 state agency or parent in a group home licensed by the state
 21 or an order of a court of competent jurisdiction.

22 (2) (a) Whenever a parent or guardian of a child, an
 23 agency of the state, or a court wishes to have a child
 24 attend a school under the provisions of this section, the
 25 parent or guardian, agency, or court shall complete an

1 out-of-district attendance agreement in consultation with an
 2 appropriate official of the district the child will attend.

3 (b) The attendance agreement must set forth the
 4 financial obligations, if any, for costs incurred for
 5 ~~tuition and~~ any discretionary provision of transportation or
 6 for tuition as provided in 20-5-323 and ~~--Title--20,--chapter~~
 7 ~~±0.~~

8 (c) The trustees of the district of choice may waive
 9 any or all of the tuition rate, but any waiver must be
 10 applied equally to all students.

11 (3) Except as provided in subsection (4), the trustees
 12 of the resident district and the trustees of the district of
 13 choice shall approve the out-of-district attendance
 14 agreement and notify the county superintendent of schools of
 15 the county of the child's residence of the approval of the
 16 agreement within 10 days. The county superintendent shall
 17 approve the agreement for payment under 20-5-324(5).

18 (4) Unless the child is a child with disabilities who
 19 resides in the district, the trustees of the district where
 20 the school to be attended is located may disapprove an
 21 out-of-district attendance agreement whenever they find
 22 that, due to insufficient room and overcrowding, the
 23 accreditation of the school would be adversely affected by
 24 the acceptance of the child."

25 **Section 9.** Section 20-5-323, MCA, is amended to read:

1 "20-5-323. Tuition and-transportation rates. (1) Except
2 as provided in subsections (3) and (4), whenever a child has
3 approval to attend a school outside of the child's district
4 of residence under the provisions of 20-5-320 or 20-5-321,
5 the basis of the rate of tuition is a flat rate for each of
6 the 15 district-size groupings determined by rule by the
7 superintendent of public instruction by March 15 of each
8 year, using statewide district expenditure and revenue data
9 for the general fund, debt service fund, and retirement fund
10 to determine the average district contribution.

11 (2) The tuition for children with disabilities must be
12 determined under rules adopted by the superintendent of
13 public instruction for the calculation of tuition for
14 special education pupils.

15 (3) The tuition rate for out-of-district placement
16 pursuant to 20-5-321(1)(d) and (1)(e) for a student without
17 disabilities who requires a program with costs that exceed
18 the average district costs must be determined as the actual
19 individual costs of providing that program according to the
20 following:

21 (a) the district of attendance and the district,
22 person, or entity responsible for the tuition payments shall
23 approve an agreement with the district of attendance for the
24 tuition cost; and

25 (b) for a Montana resident student, the average

1 district per-ANB foundation payment amount received in the
2 year for which the tuition charges are calculated must be
3 subtracted from the per-student program costs for a Montana
4 resident student.

5 (4) When a child attends a public school of another
6 state or province or has been placed by a state agency in an
7 out-of-state residential program, the amount of daily
8 tuition may not be greater than the average annual cost per
9 student in the child's district of residence. This
10 calculation for tuition purposes is determined by totaling
11 all of the expenditures for all of the district budgeted
12 funds for the preceding school fiscal year and dividing that
13 amount by the October 1 enrollment in the preceding school
14 fiscal year. For the purposes of this subsection, the
15 following do not apply:

16 (a) placement of a child with disabilities pursuant to
17 Title 20, chapter 7, part 4;

18 (b) placement made in a state or province with a
19 reciprocal tuition agreement pursuant to 20-5-314; or

20 (c) an order issued under Title 40, chapter 4, part 2.

21 ~~(5) The amount, if any, charged for transportation may~~
22 ~~not exceed the lesser of the average transportation cost per~~
23 ~~student in the child's district of residence or 21.25 cents~~
24 ~~per mile. The average expenditures for the district~~
25 ~~transportation fund for the preceding school fiscal year~~

1 ~~must--be--calculated--by--dividing--the--transportation-fund~~
 2 ~~expenditures-by-the-October-1-enrollment-for--the--preceding~~
 3 ~~fiscal-year."~~

4 **Section 10.** Section 20-5-324, MCA, is amended to read:

5 **"20-5-324. Tuition report and payment provisions. (1)**

6 At the close of the school term of each school fiscal year
 7 and before July 15, the trustees of a district shall report
 8 to the county superintendent:

9 (a) the name and district of residence of each child
 10 who is attending a school of the district under an approved
 11 mandatory out-of-district attendance agreement;

12 (b) the number of days of enrollment for each child
 13 reported under the provisions of subsection (1)(a);

14 (c) the annual tuition rate for each child's tuition
 15 payment, as determined under the provisions of 20-5-323, and
 16 the tuition cost for each reported child; and

17 (d) the names, districts of attendance, and amount of
 18 tuition to be paid by the district for resident students
 19 attending public schools out of state.

20 (2) The county superintendent shall send, as soon as
 21 practicable, the reported information to the county
 22 superintendent of the county in which a reported child
 23 resides.

24 (3) Before July 30, the county superintendent shall
 25 report the information in subsection (1)(d) to the

1 superintendent of public instruction, who shall determine
 2 the total foundation amount for which the district would be
 3 eligible if the student were enrolled in the resident
 4 district. The reimbursement amount is the difference between
 5 the actual amount paid and the amount calculated in this
 6 subsection.

7 (4) Notwithstanding the requirements of subsection (5),
 8 tuition payment provisions for out-of-district placement of
 9 students with disabilities must be determined pursuant to
 10 Title 20, chapter 7, part 4.

11 (5) Except as provided in subsection (6), when a child
 12 has approval to attend a school outside the child's district
 13 of residence under the provisions of 20-5-320 or 20-5-321,
 14 the district of residence shall finance the tuition amount
 15 from the district tuition fund ~~and-any-transportation-amount~~
 16 ~~from-the-transportation-fund.~~

17 (6) When a child has mandatory approval under the
 18 provisions of 20-5-321, the tuition ~~and--transportation~~
 19 obligation for an elementary school child attending a school
 20 outside of the child's county of residence must be financed
 21 by the county basic tax for elementary districts, as
 22 provided in 20-9-331, for the child's county of residence or
 23 for a high school child attending a school outside the
 24 county of residence by the county basic tax for high school
 25 districts, as provided in 20-9-333, for the child's county

1 of residence.

2 (7) By December 31 of the school fiscal year, the
3 county superintendent or the trustees shall pay at least
4 one-half of any tuition ~~and--transportation~~ obligation
5 established under this section out of the money realized to
6 date from the appropriate basic county tax account provided
7 for in 20-9-334 or from the district tuition or
8 ~~transportation~~ fund. The remaining tuition and
9 ~~transportation~~ obligation must be paid by June 15 of the
10 school fiscal year. The payments must be made to the county
11 treasurer in each county with a school district that is
12 entitled to tuition ~~and-transportation~~. Except as provided
13 in subsection (9), the county treasurer shall credit tuition
14 receipts to the general fund of a school district entitled
15 to a tuition payment. The tuition receipts must be used in
16 accordance with the provisions of 20-9-141. ~~The--county~~
17 ~~treasurer---shall--credit--transportation--receipts--to--the~~
18 ~~transportation-fund-of--a--school--district--entitled--to--a~~
19 ~~transportation-payment-~~

20 (8) The superintendent of public instruction shall
21 reimburse the district of residence from the state
22 equalization account for the foundation amount determined in
23 subsection (3).

24 (9) (a) Any tuition receipts received under the
25 provisions of 20-5-323(3) or Title 20, chapter 7, part 4, or

1 ~~20-5-323(3)~~ for the current school fiscal year that exceed
2 the tuition receipts of the prior year may be deposited in
3 the district miscellaneous programs fund and must be used
4 for that year in the manner provided for in 20-9-507 to
5 support the costs of the program for which the tuition was
6 received.

7 (b) Any other tuition receipts received for the current
8 school fiscal year that exceed the tuition receipts of the
9 prior year may be deposited in the district miscellaneous
10 programs fund and may be used for that year in the manner
11 provided for in that fund. For the ensuing school fiscal
12 year, the receipts must be credited to the district general
13 fund budget."

14 **Section 11.** Section 20-6-401, MCA, is amended to read:

15 **"20-6-401. Definitions.** As used in this part, unless
16 the context clearly indicates otherwise, the following
17 definitions apply:

18 (1) "Component districts" means the elementary or high
19 school districts incorporated into the enlarged district.

20 (2) "Eligible pupils" means the average number
21 belonging (ANB) in the operating schools of the component
22 districts and the tuition pupils residing in the component
23 districts and attending another district's school under the
24 tuition provisions of the school laws, except that the
25 pupils residing in the component district having the largest

1 total number of pupils are ineligible for bonus payment
2 consideration.

3 (3) "Enlarged district" means the elementary or high
4 school district resulting from the consolidation or
5 annexation of two or more component districts.

6 (4) "General bonus payment" for first- and second-class
7 school districts must be \$450 per eligible pupil per year
8 for a period of 3 years and must be deposited in the
9 enlarged district's general fund. General bonus payment for
10 third-class school districts must be \$750 per eligible pupil
11 per year for a period of 3 years and must be deposited in
12 the enlarged district's general fund. The general bonus
13 payment must be made from the state school equalization aid
14 account.

15 (5) ~~"Transportation--bonus-payment"--is-the-provision-of~~
16 ~~66-2/3%--state-financing-of--the--on-schedule--transportation~~
17 ~~amount--as--provided-by-the-transportation-provisions-of-the~~
18 ~~school--laws--When--an--eligible--pupil--is--entitled--to~~
19 ~~transportation--the--enlarged--district--is--entitled--to--the~~
20 ~~transportation-bonus-payment-for-the-eligible--pupil--for--a~~
21 ~~period--of--3-years--The-payment-must-be-made-from-the-state~~
22 ~~transportation-aid-account--When-the-eligible-pupil-rides--a~~
23 ~~bus--providing--transportation-for-ineligible-pupils--the-66~~
24 ~~2/3%--state-financing-of--the--on-schedule--amount--for--this~~
25 ~~payment--must--be--prorated--to--provide--financing--for--the~~

1 eligible-pupil."

2 **Section 12.** Section 20-6-406, MCA, is amended to read:

3 "20-6-406. Disbursal and deposit of bonus payments. On
4 or before June 30 of the next 3 consecutive years following
5 the year of application, the superintendent of public
6 instruction shall disburse the bonus payments for approved
7 applications to the enlarged school district, and such the
8 disbursement is statutorily appropriated as provided in
9 17-7-502. The general bonus payment ~~shall~~ must be deposited
10 by the county treasurer in the enlarged district's general
11 fund, ~~and the transportation bonus payment shall be~~
12 ~~deposited by the county treasurer in the transportation~~
13 ~~fund. These A bonus payments shall not be~~ is not considered
14 as a part of the regular state equalization aid ~~or state~~
15 transportation aid received by the enlarged district."

16 **Section 13.** Section 20-7-420, MCA, is amended to read:

17 "20-7-420. Residency requirements -- financial
18 responsibility for special education. (1) In accordance with
19 the provisions of 1-1-215, a child's district of residence
20 for special education purposes is the residence of the
21 child's parents or of the child's guardian if the parents
22 are deceased, unless otherwise determined by the court. This
23 applies to a child living at home, in an institution, or
24 under foster care. If the parent has left the state, the
25 parent's ~~last-known~~ last-known district of residence is the

1 child's district of residence.

2 (2) The county of residence is financially responsible
3 for tuition ~~and-transportation~~ as established under 20-5-323
4 for a child with disabilities, as defined in 20-7-401,
5 including a child who has been placed by a state agency in a
6 foster care or group home licensed by the state. The county
7 of residence is not financially responsible for tuition ~~and~~
8 ~~transportation~~ for a child with disabilities who is placed
9 by a state agency in an out-of-state public school or an
10 out-of-state private residential facility.

11 (3) If an eligible child, as defined in 20-7-436, is
12 receiving inpatient treatment in an in-state residential
13 treatment facility or children's psychiatric hospital, as
14 defined in 20-7-436, and the educational services are
15 provided by a public school district under the provisions of
16 20-7-411 or 20-7-435, the superintendent of public
17 instruction shall reimburse the district providing the
18 services for the negotiated amount, as established pursuant
19 to 20-7-435(5), that represents the district's costs of
20 providing education and related services. Payments must be
21 made from funds appropriated for this purpose. If the
22 negotiated amount exceeds the daily membership rate under
23 20-7-435(3) and any per-ANB amount of direct state aid, the
24 superintendent of public instruction shall pay the remaining
25 balance from the state equalization aid account. However,

1 the amount spent from the state equalization aid account for
2 this purpose may not exceed \$500,000 during any biennium.

3 (4) Under the provisions of 20-7-422(3), the
4 superintendent of public instruction shall provide funds for
5 the education fees required to provide a free appropriate
6 public education for a child with disabilities who is in
7 need of special education and related services and is placed
8 by a state agency in an out-of-state private residential
9 facility or out-of-state public school, provided that, in
10 determining the special education services needed for the
11 child with disabilities, the district of residence has
12 complied with the rules promulgated under 20-7-402.

13 (5) A state agency that makes a placement of a child
14 with disabilities is responsible for the financial costs of
15 room and board and the treatment of the child."

16 **Section 14.** Section 20-7-421, MCA, is amended to read:

17 "20-7-421. Arranging attendance in another district in
18 lieu of a special education program -- tuition. (1) In
19 accordance with a placement decision made by persons
20 determining an individualized education program for a child
21 with disabilities, the trustees may arrange for the
22 attendance of a child in need of special education and
23 related services in another district within the state of
24 Montana.

25 (2) Tuition ~~and--transportation~~ as required under

1 20-5-323 may be charged as provided in 20-7-420."

2 **Section 15.** Section 20-7-424, MCA, is amended to read:

3 "20-7-424. No tuition when attending state institution.

4 Whenever a child is attending a state-funded institution in
5 Montana, the resident district or county is not required to
6 pay tuition to the state institution for the child, but
7 whenever at the recommendation of institution officials the
8 child attends classes conducted by a school within a local
9 district, the district or county where the parents or
10 guardian of the child maintains legal residence shall pay
11 tuition to the district operating the school in accordance
12 with the provisions of 20-5-321 or 20-7-421, whichever
13 section applies to the circumstances of the child.
14 ~~Transportation--payments--must-be-made-for-students-enrolled~~
15 ~~in--any--school--district--classes--or--receiving--training,~~
16 ~~including--summer--sessions--at--the--state--institution--The~~
17 ~~schedule--of--transportation--payments--must--be--approved--in~~
18 ~~accordance--with--existing--transportation--payment--schedules~~
19 ~~and--must--be--approved--by--the--county--transportation--committee~~
20 ~~and--the--superintendent--of--public--instruction."~~

21 **Section 16.** Section 20-7-431, MCA, is amended to read:

22 "20-7-431. (Temporary) Allowable cost schedule for
23 special programs -- superintendent to make rules -- annual
24 accounting. (1) For the purpose of determining the allowable
25 cost payment amount for special education as defined in

1 20-9-321, the following schedule of allowable costs must be
2 followed by the school district in preparation of its
3 special education budget for state aid request purposes and
4 by the superintendent of public instruction in ~~his~~ the
5 review and approval of the budget (for the purposes of
6 determining the amount of the allowable cost payment for
7 special education for the district, and as used in this
8 schedule, "full-time special pupil" and "regular ANB" are to
9 be determined in accordance with 20-9-311 and 20-9-313):

10 (a) instruction: salaries, benefits, supplies,
11 textbooks, and other expenses, including:

12 (i) salaries and benefits of special program teachers,
13 regular program teachers, teacher aides, special education
14 supervisors, audiologists, and speech and hearing
15 clinicians--the entire cost if employed full time in the
16 special program; if ~~such~~ the personnel are shared between
17 special and regular programs--a portion of the entire cost
18 corresponding to the entire working time ~~which~~ that each
19 person devotes to the special program;

20 (ii) teaching supplies and textbooks if used exclusively
21 for special programs--the actual total cost;

22 (iii) other expenses, including:

23 (A) contracted services, including fees paid for
24 professional advice and consultation regarding special
25 students or the special program, and the delivery of special

1 education services by public or private agencies--the actual
2 total cost;

3 (B) transportation costs for special education
4 personnel who travel on an itinerant basis from school to
5 school or district to district or to in-state child study
6 team meetings or in-state individualized education program
7 meetings--the actual cost to the district calculated on the
8 same mileage rate used by the district for other travel
9 reimbursement purposes;

10 (b) supportive services, including:

11 (i) salaries and benefits of professional supportive
12 personnel--the entire cost if employed full time in the
13 special program; if the personnel are shared between special
14 and regular programs--a portion of the entire cost
15 corresponding to the entire working time which that each
16 person devotes to the special program. Professional
17 supportive personnel may include counselors, social workers,
18 psychologists, psychometrists, physicians, nurses, and
19 physical and occupational therapists.

20 (ii) salaries and benefits of clerical personnel who
21 assist professional personnel in supportive services--the
22 entire cost if employed full time in the special program; if
23 the personnel are shared between special and regular
24 programs--a portion of the entire cost corresponding to the
25 entire working time which that each person devotes to the

1 special program;

2 (c) equipment:

3 (i) equipment--the actual total cost;

4 (ii) special equipment for district-owned school buses
5 necessary to accommodate special students--the actual total
6 cost;

7 (iii) special equipment for school buses contracted to
8 transport special students--that portion of the contract
9 price attributable to the cost of special equipment or
10 personnel required to accommodate special students--the
11 actual special cost;

12 (iv) repair and maintenance of equipment--the actual
13 total cost.

14 (2) The superintendent of public instruction shall
15 adopt rules in accordance with the policies of the board of
16 public education for:

17 (a) keeping necessary records for supportive and
18 administrative personnel and any personnel shared between
19 special and regular programs;

20 (b) defining the total special program caseload that
21 must be assigned to specific support persons and the kinds
22 of professional specialties to be considered relevant to the
23 program before the district may count an allowable cost
24 under subsection (1)(b) ~~of this section~~; and

25 (c) defining the kinds or types of equipment whose for

1 which costs may be counted under subsection (1)(c)(i) of
2 ~~this-section~~.

3 (3) An annual accounting of all expenditures of school
4 district general fund money for special education must be
5 made by the district trustees on forms furnished by the
6 superintendent of public instruction. The superintendent of
7 public instruction shall make rules for the accounting.

8 (4) If a board of trustees chooses to exceed the budget
9 approved by the superintendent of public instruction, costs
10 in excess of the approved budget may not be reimbursed under
11 the allowable cost payment for special education.

12 (5) Allowable costs prescribed in this section do not
13 include the costs of the teachers' retirement system, the
14 public employees' retirement system, the federal social
15 security system, or the costs for unemployment compensation
16 insurance.

17 (6) (a) Notwithstanding other provisions of the law,
18 the superintendent of public instruction may not approve an
19 allowable cost payment amount for special education that
20 exceeds legislative appropriations; however, any unexpended
21 balance from the first year of a biennial appropriation may
22 be spent in the second year of the biennium in addition to
23 the second year appropriation.

24 (b) If the total allowable cost of the special
25 education budgets exceeds legislative appropriations

1 available for special education, each district shall receive
2 a pro rata share of the available appropriations based upon
3 prioritized budget items as established by the
4 superintendent of public instruction. The amount of the
5 approved budgets in excess of the available appropriations
6 may not be reimbursed under the allowable cost payment for
7 special education and is the responsibility of the school
8 district.

9 20-7-431. (Effective July 1, 1994) Allowable cost
10 schedule for special programs -- superintendent to make
11 rules -- annual accounting. (1) For the purpose of
12 determining the allowable cost payment amount for special
13 education as defined in 20-9-321, the following allowable
14 costs and reports must be reviewed by the superintendent of
15 public instruction for the purposes of determining the
16 amount of the allowable cost payment for special education
17 payments and a district's special education expenditures:

18 (a) instruction: salaries, benefits, supplies,
19 textbooks, and other expenses, including:

20 (i) the cost of salaries and benefits of special
21 program teachers, regular program teachers, and teacher
22 aides, corresponding to the working time that each person
23 devotes to the special program;

24 (ii) the total cost of teaching supplies and textbooks
25 for special programs;

1 (iii) the purchase, rental, repair, and maintenance of
 2 instructional equipment required to implement a student's
 3 individualized education program;
 4 (iv) activities associated with teacher assistance teams
 5 that provide prereferral intervention;
 6 (v) the cost of contracted services, including fees
 7 paid for professional advice and consultation regarding
 8 special students or the special program, and the delivery of
 9 special education services by public or private agencies;
 10 (vi) transportation costs for special education
 11 instructional personnel who travel on an itinerant basis
 12 from school to school or district to district or to in-state
 13 child study team meetings or in-state individualized
 14 education program meetings;
 15 (b) related services, including:
 16 (i) the cost of salaries and benefits of professional
 17 supportive personnel, corresponding to the working time that
 18 each person devotes to the special program. Professional
 19 supportive personnel may include special education
 20 supervisors, speech-language pathologists, audiologists,
 21 counselors, social workers, psychologists, psychometrists,
 22 physicians, nurses, and physical and occupational
 23 therapists.
 24 (ii) the cost of salaries and benefits of clerical
 25 personnel who assist professional personnel in supportive

1 services, corresponding to the working time that each person
 2 devotes to the special program;
 3 (iii) the cost of supplies for special programs;
 4 (iv) activities associated with teacher assistance teams
 5 that provide prereferral interventions;
 6 (v) the cost of contracted services, including fees
 7 paid for professional advice and consultation regarding
 8 special students or the special program, and the delivery of
 9 special education services by public or private agencies;
 10 (vi) transportation costs for special education related
 11 services personnel who travel on an itinerant basis from
 12 school to school or district to district or to in-state
 13 child study team meetings or in-state individualized
 14 education program meetings;
 15 (vii) equipment purchase, rental, repair, and
 16 maintenance required to implement a student's individualized
 17 education program;
 18 (viii) the additional cost of special education
 19 cooperatives or joint boards, including operation and
 20 maintenance, travel, recruitment, and administration;
 21 (ix) the cost of transportation as identified in the
 22 individual education plans of special education pupils.
 23 (2) The superintendent of public instruction shall
 24 adopt rules in accordance with the policies of the board of
 25 public education for keeping necessary records for

supportive and administrative personnel and any personnel shared between special and regular programs.

(3) An annual accounting of all expenditures of school district general fund money for special education must be made by the district trustees on forms furnished by the superintendent of public instruction. The superintendent of public instruction shall make rules for the accounting.

(4) Allowable costs prescribed in this section do not include the costs of the teachers' retirement system, the public employees' retirement system, the federal social security system, or the costs for unemployment compensation insurance.

(5) (a) Notwithstanding other provisions of the law, the superintendent of public instruction may not approve an allowable cost payment amount for special education that exceeds legislative appropriations; however, any unexpended balance from the first year of a biennial appropriation may be spent in the second year of the biennium in addition to the second year appropriation.

(b) If the total special education allowable cost payment, as determined in 20-9-321, exceeds legislative appropriations available for special education, each district ~~shall~~ must receive a pro rata share of the available appropriations."

Section 17. Section 20-7-441, MCA, is amended to read:

"20-7-441. Special education child eligibility for transportation. With the approval of the superintendent of public instruction, ~~any a~~ special education child ~~shall--be eligible-for~~ must be provided transportation, ~~which shall be~~ provided by the resident district, when ~~he~~ the child is enrolled:

(1) in a special education class or program operated by the district of ~~such~~ the child's residence;

(2) in a special education class or program operated by a Montana district other than the child's resident district;

(3) under an approved tuition agreement in a special education class or program operated outside of the state of Montana; or

(4) under an approved tuition agreement in a private institution."

Section 18. Section 20-7-443, MCA, is amended to read:

"20-7-443. Financial assistance for under-six-year-old special education class or program. Any district operating an approved special education class or program for children under ~~the age of~~ 6 years ~~shall be~~ of age is eligible for financial assistance in accordance with 20-7-431 ~~and for transportation reimbursement under 20-7-442.~~"

Section 19. Section 20-9-166, MCA, is amended to read:

"20-9-166. State financial aid for budget amendments. Whenever a final budget amendment has been adopted for the

1 general fund ~~or-the-transportation-fund~~ to finance the cost
 2 of an amendment resulting from increased enrollment, the
 3 trustees may apply to the superintendent of public
 4 instruction for an increased payment from the state public
 5 school equalization aid account for ~~the-BASE-funding-program~~
 6 ~~or-for-state-transportation-reimbursement,--or--both~~ direct
 7 state aid. The superintendent of public instruction shall
 8 adopt rules for the application. The superintendent of
 9 public instruction shall approve or disapprove each
 10 application for increased direct state aid made in
 11 accordance with 20-9-314 and this section. When the
 12 superintendent of public instruction approves an
 13 application, the superintendent of public instruction shall
 14 determine the additional amount of state aid from the state
 15 public school equalization aid account ~~or--the--state~~
 16 ~~transportation-reimbursement~~ that will be made available to
 17 the applicant district because of the increase in
 18 enrollment. The superintendent of public instruction shall
 19 notify the applicant district of the superintendent's
 20 approval or disapproval and, in the event of approval, the
 21 amount of additional state aid that will be made available
 22 for the general fund ~~or--the--transportation--fund~~. The
 23 superintendent of public instruction shall disburse the
 24 state aid to the eligible district at the time the next
 25 regular state aid payment is made."

1 **Section 20.** Section 20-9-212, MCA, is amended to read:

2 **"20-9-212. Duties of county treasurer.** The county
 3 treasurer of each county shall:

4 (1) receive and hold all school money subject to
 5 apportionment and keep a separate accounting of its
 6 apportionment to the several districts that are entitled to
 7 a portion of the money according to the apportionments
 8 ordered by the county superintendent or by the
 9 superintendent of public instruction. A separate accounting
 10 must be maintained for each county fund supported by a
 11 countywide levy for a specific, authorized purpose,
 12 including:

13 (a) the basic county tax in support of the elementary
 14 BASE aid;

15 (b) the basic special tax for high schools in support
 16 of the high school BASE aid;

17 (c) ~~the--county--tax--in--support-of-the-transportation~~
 18 ~~schedules;~~

19 ~~(d)~~ the county tax in support of the elementary and
 20 high school district retirement obligations; and

21 ~~(e)~~(d) any other county tax for schools, including the
 22 community colleges, which that may be authorized by law and
 23 levied by the county commissioners.

24 (2) whenever requested, notify the county
 25 superintendent and the superintendent of public instruction

1 of the amount of county school money on deposit in each of
 2 the funds enumerated in subsection (1) and the amount of any
 3 other school money subject to apportionment and apportion
 4 the county and other school money to the districts in
 5 accordance with the apportionment ordered by the county
 6 superintendent or the superintendent of public instruction;

7 (3) keep a separate accounting of the receipts,
 8 expenditures, and cash balances for each fund;

9 (4) except as otherwise limited by law, pay all
 10 warrants properly drawn on the county or district school
 11 money and properly endorsed by their holders;

12 (5) receive all revenue collected by and for each
 13 district and deposit these receipts in the fund designated
 14 by law or by the district if a fund is not designated by
 15 law. Interest and penalties on delinquent school taxes must
 16 be credited to the same fund and district for which the
 17 original taxes were levied.

18 (6) send all revenue received for a joint district,
 19 part of which is situated in the county, to the county
 20 treasurer designated as the custodian of the revenue, no
 21 later than December 15 of each year and every 3 months after
 22 that date until the end of the school fiscal year;

23 (7) at the direction of the trustees of a district,
 24 assist the district in the issuance and sale of tax and
 25 revenue anticipation notes as provided in Title 7, chapter

1 6, part 11;

2 (8) register district warrants drawn on a budgeted fund
 3 in accordance with 7-6-2604 when there is insufficient money
 4 available in all funds of the district to make payment of
 5 the warrant. Redemption of registered warrants must be made
 6 in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

7 (9) invest the money of any district as directed by the
 8 trustees of the district within 3 working days of the
 9 direction;

10 (10) each month give to the trustees of each district an
 11 itemized report for each fund maintained by the district,
 12 showing the paid warrants, outstanding warrants, registered
 13 warrants, amounts and types of revenue received, and the
 14 cash balance;

15 (11) remit promptly to the state treasurer receipts for
 16 the county tax for a vocational-technical center when levied
 17 by the board of county commissioners under the provisions of
 18 20-16-202;

19 (12) invest the money received from the basic county
 20 tax, the basic special tax, and the county levy in support
 21 of the elementary and high school district retirement
 22 obligations, ~~and the county levy in support of the~~
 23 ~~transportation schedules~~ within 3 working days of receipt.
 24 The money must be invested until the working day before it
 25 is required to be distributed to school districts within the

county or remitted to the state. Permissible investments are specified in 20-9-213(4). All investment income must be deposited, and credited proportionately, in the funds established to account for the taxes received for the purposes specified in subsections (1)(a) through (1)(c).

(13) remit on a monthly basis to the state treasurer, in accordance with the provisions of 15-1-504, all county equalization revenue received under the provisions of 20-9-331 and 20-9-333, including all interest earned and excluding any amount required for high school out-of-county tuition under the provisions of 20-9-334, in repayment of the state advance for county equalization prescribed in 20-9-347. Any funds in excess of a state advance must be used as required in 20-9-331(1)(b) and 20-9-333(1)(b)."

Section 21. Section 20-9-506, MCA, is amended to read:

"20-9-506. Budgeting and net levy requirement for nonoperating fund. (1) The trustees of any a district which that does not operate a school or will not operate a school during the ensuing school fiscal year shall adopt a nonoperating school district budget in accordance with the school budgeting provisions of this title. Such The nonoperating budget shall must contain the nonoperating fund and, when appropriate, a debt service fund. The nonoperating budget form shall must be promulgated and distributed by the

superintendent of public instruction under the provisions of 20-9-103.

(2) After the adoption of a final budget for the nonoperating fund, the county superintendent shall compute the net levy requirement for such the fund by subtracting from the amount authorized by such the budget the sum of:

(a) the end-of-the-year cash balance of the nonoperating fund or, if it is the first year of nonoperation, the cash balance determined under the transfer provisions of 20-9-505;

(b) ~~the~~ the ~~estimated~~ state ~~and~~ county ~~transportation~~ reimbursements; ~~and~~

(c) and any other moneys revenue that may become available during the ensuing school fiscal year.

(3) The county superintendent shall report the net nonoperating fund levy requirement and any net debt service fund levy requirement determined under the provisions of 20-9-439 to the county commissioners on the fourth Monday of August, and such the levies shall must be made on the district by the county commissioners in accordance with 20-9-142."

Section 22. Section 20-10-101, MCA, is amended to read:

"20-10-101. Definitions. As used in this title, unless the context clearly indicates otherwise, the following definitions apply:

1 ~~{1}-An-"eligible-transportee"--means--a--public--school~~
 2 ~~pupil-who:~~
 3 ~~{a}-is-5-years-of-age-or-older-and-has-not-attained-his~~
 4 ~~21st--birthday-or-who-is-a-preschool-child-with-disabilities~~
 5 ~~between-the-ages-of-3-and-6;~~
 6 ~~{b}-is-a-resident-of-the-state-of-Montana;~~
 7 ~~{c}-regardless--of--district--and--county--boundaries,~~
 8 ~~resides-at-least-3-miles, over-the-shortest-practical-route,~~
 9 ~~from--the--nearest--operating--public--elementary--school-or~~
 10 ~~public-high-school, whichever-the-case-may-be; and~~
 11 ~~{d}-is-considered-to-reside-with-his-parent-or-guardian~~
 12 ~~who-maintains-legal-residence-within-the-boundaries--of--the~~
 13 ~~district--furnishing--the-transportation-regardless-of-where~~
 14 ~~the--eligible--transportee--actually--lives--when--attending~~
 15 ~~school;~~

16 ~~{2}{1}~~ (a) A "school bus" means, except as provided in
 17 ~~subsection {2}{b}{1}{b}, any motor vehicle that:~~

18 ~~(i) complies with the bus standards established by the~~
 19 ~~board of public education as verified by the Montana~~
 20 ~~department of justice's semiannual inspection of school~~
 21 ~~buses and the superintendent of public instruction; and~~

22 ~~(ii) is owned by a district or other public agency and~~
 23 ~~operated for the transportation of pupils to or from school~~
 24 ~~or owned by a carrier under contract with a district or~~
 25 ~~public agency to provide transportation of pupils to or from~~

1 school.

2 (b) A school bus does not include a vehicle that is:

3 (i) privately owned and not operated for compensation
 4 under this title;

5 ~~{ii}-privately--owned--and--operated--for--reimbursement~~
 6 ~~under-20-10-142;~~

7 ~~{iii}{ii}~~ either district-owned or privately owned,
 8 designed to carry not more than nine passengers, and used to
 9 transport pupils to or from activity events or to transport
 10 pupils to their homes in case of illness or other emergency
 11 situations; or

12 ~~{iv}{iii}~~ an over-the-road passenger coach used only to
 13 transport pupils to activity events.

14 ~~{3}{2}~~ "Transportation" means:

15 (a) a district's conveyance of a pupil by a school bus
 16 between ~~his~~ the pupil's legal residence or an officially
 17 designated bus stop and the school designated by the
 18 trustees for ~~his~~ the pupil's attendance; or

19 (b) "individual transportation" whereby a district is
 20 relieved of actually conveying a pupil. Individual
 21 transportation may include paying the parent or guardian for
 22 conveying the pupil, ~~reimbursing-the-parent-or-guardian-for~~
 23 ~~the--pupil's--board--and--room,--or--providing--supervised~~
 24 ~~correspondence-study-or-supervised-home-study."~~

25 **Section 23.** Section 20-10-103, MCA, is amended to read:

"20-10-103. School bus driver qualifications. Any driver of a school bus is qualified to drive a school bus if the driver:

(1) is not less than 18 years of age;

(2) is of good moral character;

(3) is the holder of a commercial driver's license;

(4) has filed with the district a satisfactory medical examination report, on a form approved by the United States department of transportation or--by--the--superintendent--of--public--instruction, signed by any physician licensed in the United States or, if acceptable to an insurance carrier, any licensed physician;

(5) has completed a basic first aid course and holds a valid basic first aid certificate from an authorized instructor--The-issuance-of-the-certificate-is--governed--by--rules---established---by---the---superintendent---of---public--instruction--provided--that--the--rules--may--suspend--this--requirement-for-a-reasonable-period-of--time--if--there--has--been--an-inadequate-opportunity-for-securing-the-basic-first-aid-course-and-certificate;

(6) has complied with any other qualifications established by the board of public education; and

(7) has filed with the county superintendent a certificate from the trustees of the district for which the school bus is to be driven, certifying compliance with the

driver qualifications enumerated in this section."

Section 24. Section 20-10-104, MCA, is amended to read:

"20-10-104. Penalty for violating law or rules. (1)

Every district, its trustees and employees, and every person under a transportation contract with a district ~~shall be~~ is subject to the policies prescribed by the board of public education and the rules prescribed by the superintendent of public instruction. ~~When a district knowingly violates a transportation law or board of public education transportation policy, such district shall forfeit any reimbursement otherwise payable under 20-10-145 and 20-10-146 for bus miles actually traveled during that fiscal year in violation of such law or policies. The county superintendent shall suspend all such reimbursements payable to the district until the district corrects the violation. When the district corrects the violation, the county superintendent shall resume paying reimbursements to the district, but the amount forfeited may not be paid to the district.~~

(2) When a person operating a bus under contract with a district knowingly fails to comply with the a transportation law or the board of public education transportation policies, the district may not pay him the person for any bus miles traveled during the contract year in violation of such the law or policies. Upon discovering such a violation,

the trustees of the district shall give written notice to the person that unless the violation is corrected within 10 days of the giving of notice, the contract will be canceled. The trustees of a district shall order the operation of a bus operated under contract suspended when the bus is being operated in violation of transportation law or policies and the trustees find that such the violation jeopardizes the safety of pupils."

Section 25. Section 20-10-107, MCA, is amended to read:

"20-10-107. Power and duties of trustees. (1) The trustees of any district ~~shall have the power to~~ may:

~~†1†~~(a) purchase or rent a school bus;

~~†2†~~(b) purchase or rent a two-way radio for a school bus when the trustees authorize a two-way radio as standard equipment in a school bus because such the bus is operated where weather and road conditions may constitute a hazard to the safety of the school pupil passengers;

~~†3†~~(c) provide for the operation, maintenance, and insurance of a school bus or a two-way radio owned or rented by the district; or

~~†4†~~(d) contract with a private party for the transportation of ~~eligible-transportees, and such contract shall~~ pupils. The contract may not exceed the a term of 5 years.

(2) The trustees of a district may not make

expenditures from the district general fund budget for any transportation program. All district transportation programs must be budgeted for in the district transportation fund under 20-10-143, including transportation for the purposes of extracurricular athletics and activities."

Section 26. Section 20-10-111, MCA, is amended to read:

"20-10-111. Duties of board of public education. (1) The board of public education, with the advice of the Montana department of justice and the superintendent of public instruction, shall adopt and enforce ~~policies~~ rules, not inconsistent with the motor vehicle laws, to provide uniform standards and regulations for the design, construction, and operation of school buses in the state of Montana. Such The policies shall:

(a) prescribe minimum standards for the design and construction of school buses not inconsistent with:

(i) minimum standards adopted by the national commission on safety education; or

(ii) minimum standards adopted by the national highway safety bureau;

(b) prescribe standards and specifications for the lighting equipment and special warning devices to be carried by school buses in conformity with:

(i) current specifications approved by the society of automobile engineers;

(ii) motor vehicle laws; and

(iii) the requirement that all school buses have an alternately flashing prewarning lighting system of four amber signal lamps to be used while preparing to stop and an alternately flashing warning lighting system of four red signal lamps to be used while stopped in accordance with 61-9-402;

(c) establish any other driver qualifications considered necessary in addition to the qualifications required in 20-10-103;

~~(d) prescribe--criteria--for---the---establishment---of transportation--service--areas--for--school-bus--purposes--by--the county-transportation-committee-which-shall--allow--for--the establishment--of--such--areas--without-regard-to-the-district boundary-lines-within-the-county;~~

~~(e)--prescribe-any-other-criteria-for-the--determination of--the-residence-of-a-pupil-that-may-be-deemed-necessary-in addition-to-the-criteria-established-in-20-10-105;~~

~~(f)~~ prescribe any other policies for the operation of school buses which that are not inconsistent with:

(i) motor vehicle laws;

(ii) minimum standards adopted for school bus operation by the national commission on safety education;

(iii) highway safety standards; and

(iv) the transportation provisions of this title; and

~~(g)~~(e) prescribe standards for the measurement of the child seating capacity of school buses, to be known as the rated capacity.

(2) The board of public education shall prescribe any other policy necessary for the proper administration and operation of individual transportation programs that are not inconsistent with the transportation provisions of this title."

Section 27. Section 20-10-124, MCA, is amended to read:

"20-10-124. Private party contract for transportation -- individual transportation contract. (1) When the trustees contract with any private party to provide transportation to ~~eligible-transportees~~, the private party shall comply in every respect with the regulations of the board of public education for the standards of equipment, operation and safety of the school bus, and qualifications of the driver. The trustees may, in contracting with private parties, require added safeguards by supplementing the board of public education policies in the contract with additional requirements for bus specifications, age of drivers, liability insurance, operating speed, or any other contractual condition deemed considered necessary by the trustees.

(2) Any school bus transportation by a private party or individual transportation that is furnished by a district

1 shall must be under contract, and no district, county, or
 2 state money shall be paid for such transportation services
 3 to any person or firm who does not hold a legal contract
 4 with the district. Transportation contracts for the ensuing
 5 year shall be completed by the fourth Monday of June, except
 6 when an eligible transportee establishes residence in the
 7 district after the fourth Monday of June and a contingency
 8 amount is included in the regular transportation budget or
 9 an emergency transportation budget is adopted.

10 (3) Transportation contracts between a district and a
 11 private party for the provision of school bus transportation
 12 shall be subject to the following requirements:

13 (a) the contract shall be completed in quadruplicate
 14 and, upon completion, one copy shall be for the county
 15 superintendent, one copy for the private party, one copy for
 16 the superintendent of public instruction, and one copy shall
 17 be retained by the district;

18 (b) the contract terms shall require conformance to the
 19 transportation law, policies of the board of public
 20 education, and rules of the superintendent of public
 21 instruction; and

22 (c) the contract shall be signed by the chairman of the
 23 trustees and the private party;

24 (4) A transportation contract between a parent or
 25 guardian of an eligible transportee and a district for the

1 provision of individual transportation shall be subject to
 2 the following requirements:

3 (a) it shall be completed in quadruplicate and, upon
 4 approval, one copy shall be for the parent or guardian, one
 5 copy for the district, one copy for the county
 6 superintendent, and one copy for the superintendent of
 7 public instruction;

8 (b) it shall be completed on forms promulgated by the
 9 superintendent of public instruction;

10 (c) the parent or guardian shall sign an affidavit
 11 attesting to the place of residence of his child or
 12 children; and

13 (d) it shall be signed by the chairman of the trustees
 14 and the parent or guardian of the eligible transportees."

15 **Section 28.** Section 20-10-143, MCA, is amended to read:

16 "20-10-143. Budgeting for transportation and
 17 transmittal of transportation contracts -- voter approval.

18 (1) The trustees of a district furnishing transportation to
 19 pupils who are residents of the district shall provide a
 20 transportation fund budget that is adequate to finance the
 21 district's transportation contractual obligations and any
 22 other transportation expenditures necessary for the conduct
 23 of its transportation program. The transportation fund
 24 budget must include:

25 (a) an adequate amount to finance the maintenance and

1 operation of district-owned-and-operated school buses owned
2 and operated by the district;

3 (b) the annual contracted amount for the maintenance
4 and operation of school buses by a private party;

5 (c) the annual contracted amount for individual
6 transportation--including--any--increased-amount--because--of
7 isolation--which--may--not--exceed--the--schedule--amounts
8 prescribed--in--20-10-142;

9 (d) any amount necessary for the purchase, rental, or
10 insurance of school buses; and

11 (e) any other amount necessary to finance the
12 administration, operation, or maintenance of the
13 transportation program of the district, as-determined-by-the
14 trustees including transportation for extracurricular
15 athletics and activities.

16 (2) The--trustees--may--include-a-contingency-amount-in
17 the-transportation-fund-budget-for-the-purpose--of--enabling
18 the--district--to--fulfill--an--obligation--to--provide
19 transportation-in-accordance-with-this-title-for:

20 (a) pupils-not-residing-in-the-district-at-the-time--of
21 the--adoption-of-the-preliminary-budget-and-who-subsequently
22 became-residents-of-the-district-during--the--school--fiscal
23 year;-or

24 (b) pupils--who-have-become-eligible-transportees-since
25 the-adoption-of-the-preliminary-budget-because--their--legal

1 residence--has-been-changed--The-budgeted-contingency-amount
2 may-not-exceed-10%-of-the-transportation-schedule-amount--as
3 calculated--under--the-provisions-of-20-10-141-and-20-10-142
4 for-all-transportation-services-authorized-by-the--schedules
5 and--provided--by--the--district--unless--10%-of-the
6 transportation-schedule-amount-is-less-than-\$100--in--which
7 case--\$100--is--the--maximum--limitation--for--the--budgeted
8 contingency-amount;

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

12 (4) The--transportation--fund--budgeted--expenditures
13 appropriated-by-the-trustees-must-be-reported-on-the-regular
14 budget--form--prescribed--by--the--superintendent--of-public
15 instruction--in--accordance--with--20-9-103--and--the The
16 adoption of the transportation fund budget must be completed
17 in accordance with the school budgeting laws. When the
18 adopted--preliminary--budget--is--sent--to--the--county
19 superintendent--the--trustees-shall-also-send-copies-of-all
20 completed--transportation--contracts--for--school--bus
21 transportation--and--individual-transportation-to-the-county
22 superintendent--The--contracts--must--substantiate--all
23 contracted--transportation--services--incorporated--in--the
24 preliminary-budget--and-after-the-county-superintendent--has
25 utilized--the--contracts--for--that--purpose--but-before-the

fourth-Monday-of-July,--he--shall--send--all--transportation contracts---received---to---the---superintendent--of--public instruction--When-the--county--superintendent--determines--a deviation-between-the-preliminary-transportation-fund-budget amount---for--contracted--transportation--services--and--the contracted-amount-for-the--services,--he--shall--immediately call--the--deviation--to--the--attention--of-the-appropriate trustees--and--shall--allow--the--trustees--to--change---the preliminary-budgeted-amount-to-compensate-for-the-deviation-

(3) Whenever the trustees of a district adopt a transportation fund budget, the trustees shall submit a proposition on the financing to the electors who are qualified under 20-20-301 to vote on the proposition. The special election must be called and conducted in the manner prescribed by this title for school elections. The ballot for the election must state the amount of money to be financed, the approximate number of mills required to raise all or a portion of the money, and the purpose for which the money will be expended. The ballot must be in the following format:

PROPOSITION

Shall the district be authorized to expend the sum of (state the amount to be expended), and being approximately (give number) mills, for the purpose of (insert the purpose for which the additional financing is made)?

☐ FOR budget authority and any levy.

☐ AGAINST budget authority and any levy.

(3) If the election on any financing for the transportation fund is approved by a majority vote of the electors voting at the election, the proposition carries and the trustees may use any portion or all of the authorized amount in adopting the preliminary transportation fund budget. The trustees shall certify any levy amount authorized by the special election on the budget form that is submitted to the county superintendent, and the county commissioners shall levy the authorized number of mills on the taxable value of all taxable property within the district, as prescribed in 20-9-141, to raise the amount of the levy. Authorization to levy a tax under the provisions of this section is effective for only 1 school fiscal year and must be authorized by a special election conducted before August 1 of the school fiscal year for which it is effective."

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

"20-10-144. Computation of revenue and net tax levy requirements for district transportation fund budget. (1) Before the fourth Monday of July and in accordance with 20-9-123, the county superintendent shall compute the revenue available to finance the transportation fund budget of each district. The-county-superintendent-shall-compute

the revenue for each district on the following basis:

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

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

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

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

(d) the amount budgeted on the preliminary budget for the contingency amount permitted in 20-10-143, except if the amount exceeds 10% of the total of subsections (1)(a), (1)(b), and (1)(c) or \$100, whichever is larger, the

contingency amount on the preliminary budget must be reduced to the limitation amount and used in this determination of the schedule amount; plus

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

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

(i) one-half is the budgeted state transportation reimbursement, except that the state transportation reimbursement for the transportation of special education pupils under the provisions of 20-7-442 must be 50% of the schedule amount attributed to the transportation of special education pupils; and

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

(b) 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 district revenue and cash reappropriated must be

1 used-to-reduce-the-county-financing-obligation-in-subsection
 2 {2}{a}{iii}-and,-if--the--county--financing--obligations--are
 3 reduced-to-zero,-to-reduce-the-state-financial-obligation-in
 4 subsection-{2}{a}{i}:-

5 {c}--The---county---revenue---requirement---for---a---joint
 6 district,-after-the-application-of-any-district-money--under
 7 subsection---{2}{b},---must---be---prorated--to--each--county
 8 incorporated-by-the-joint-district-in-the-same-proportion-as
 9 the-ANB-of--the--joint--district--is--distributed--by--pupil
 10 residence-in-each-county:-

11 {3}{2} The total of the money available for the
 12 reduction of property tax on the district for the
 13 transportation fund must be determined by totaling:

14 (a) anticipated---federal---money---received--under--the
 15 provisions--of--Title--I--of--Public--Law--81-874--or--other
 16 anticipated-federal-money-received-in-lieu-of--that--federal
 17 act;

18 {b} anticipated payments from other districts for
 19 providing school bus transportation services for the
 20 district;

21 {c}{b} anticipated payments from a parent or guardian
 22 for providing school bus transportation services for a
 23 child;

24 {d}{c} anticipated or reappropriated interest to be
 25 earned by the investment of transportation fund cash in

1 accordance with the provisions of 20-9-213(4);

2 {e}{d} anticipated or reappropriated revenue from
 3 property taxes and fees imposed under 23-2-517, 23-2-803,
 4 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204;

5 {f}{e} anticipated revenue from coal gross proceeds
 6 under 15-23-703;

7 {g}{f} anticipated net proceeds taxes for new
 8 production, as defined in 15-23-601, and local government
 9 severance taxes on any other production occurring after
 10 December 31, 1988;

11 {h}{g} anticipated transportation payments for
 12 out-of-district pupils under the provisions of 20-5-320
 13 through 20-5-324;

14 {i}{h} any other revenue anticipated by the trustees to
 15 be earned during the ensuing school fiscal year that may be
 16 used to finance the transportation fund; and

17 {j}{i} any fund balance available for reappropriation
 18 as determined by subtracting the amount of the
 19 end-of-the-year fund balance earmarked as the transportation
 20 fund operating reserve for the ensuing school fiscal year by
 21 the trustees from the end-of-the-year fund balance in the
 22 transportation fund. The operating reserve may not be more
 23 than 20% of the final transportation fund budget for the
 24 ensuing school fiscal year and is for the purpose of paying
 25 transportation fund warrants issued by the district under

1 the final transportation fund budget.

2 ~~†4†~~(3) The district levy requirement for each
3 district's transportation fund must be computed by:

4 (a) subtracting the ~~schedule~~ amount calculated in
5 subsection (1) from the total preliminary transportation
6 budget amount; and

7 (b) subtracting the amount of money available to reduce
8 the property tax on the district, as determined in
9 subsection ~~†3†~~(2), from the amount determined in subsection
10 ~~†4†~~~~†a†~~(3)(a).

11 ~~†5†~~(4) The transportation fund levy requirements
12 determined in subsection ~~†4†~~(3) for each district must be
13 reported to the county commissioners on the fourth Monday of
14 August by the county superintendent as the transportation
15 fund levy requirements for the district, and the levy must
16 be made by the county commissioners in accordance with
17 20-9-142."

18 NEW SECTION. Section 30. Repealer. Sections 20-7-442,
19 20-10-105, 20-10-106, 20-10-112, 20-10-121, 20-10-122,
20 20-10-123, 20-10-131, 20-10-132, 20-10-141, 20-10-142,
21 20-10-145, and 20-10-146, MCA, are repealed.

22 NEW SECTION. Section 31. Transfer of county
23 transportation fund cash balance. On July 1, 1994, the
24 county treasurer shall transfer any ending cash balance in
25 the county transportation fund on June 30, 1994, to the

1 basic special tax for high schools account provided in
2 20-9-333. After July 1, 1994, the county treasurer shall
3 deposit in the basic special tax for high schools account
4 any revenue collected from mills or other sources for a
5 county transportation fund for a school fiscal year prior to
6 the fiscal year beginning July 1, 1994.

7 NEW SECTION. Section 32. Effective date --
8 applicability. [This act] is effective on passage and
9 approval and applies to school district general fund and
10 transportation fund budgets for the school fiscal year
11 beginning July 1, 1994.

-End-

APPROVED BY COMM. ON EDUCATION
AND CULTURAL RESOURCES

SENATE BILL NO. 34

INTRODUCED BY BLAYLOCK, SWANSON

A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING STATE AND COUNTY FUNDING FOR SCHOOL DISTRICT TRANSPORTATION PROGRAMS; PROVIDING FOR TRANSPORTATION OF ~~SPECIAL--EDUCATION--PUPILS~~ CHILDREN WITH DISABILITIES THROUGH THE SPECIAL EDUCATION ALLOWABLE COST RELATED SERVICES PAYMENT; ELIMINATING COUNTY TRANSPORTATION COMMITTEES AND VARIOUS SCHOOL TRANSPORTATION DUTIES OF THE COUNTY SUPERINTENDENT OF SCHOOLS; REQUIRING THE TRUSTEES OF A DISTRICT TO SEEK VOTER APPROVAL FOR A TRANSPORTATION FUND BUDGET; TRANSFERRING THE ENDING CASH BALANCE FOR THE COUNTY TRANSPORTATION FUND TO THE BASIC SPECIAL TAX FOR HIGH SCHOOLS ACCOUNT; AMENDING SECTIONS 17-3-213, 20-3-104, 20-3-106, 20-3-107, 20-3-205, 20-3-206, 20-5-102, 20-5-320, 20-5-321, 20-5-323, 20-5-324, 20-6-401, 20-6-406, 20-7-420, 20-7-421, 20-7-424, 20-7-431, 20-7-441, 20-7-443, 20-9-166, 20-9-212, 20-9-506, 20-10-101, 20-10-103, 20-10-104, 20-10-107, 20-10-111, 20-10-124, 20-10-143, AND 20-10-144, MCA; REPEALING SECTIONS 20-7-442, 20-10-105, 20-10-106, 20-10-112, 20-10-121, 20-10-122, 20-10-123, 20-10-131, 20-10-132, 20-10-141, 20-10-142, 20-10-145, AND 20-10-146, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

Section 1. Section 17-3-213, MCA, is amended to read:

"17-3-213. Allocation to general road fund and countywide school levies. (1) The forest reserve funds ~~so~~ apportioned to each county must be apportioned by the county treasurer in each county as follows:

(a) to the general road fund, 66 2/3% of the total amount received;

(b) to the following countywide school levies, 33 1/3% of the total sum received:

(i) county equalization for elementary schools provided for in 20-9-331; and

(ii) county equalization for high schools provided for in 20-9-333; and

(iii) ~~the--county--transportation--fund--provided--for--in 20-10-146;--and~~

~~the~~ the elementary and high school district retirement fund obligations provided for in 20-9-501.

(2) The apportionment of money to the funds provided for under subsection (1)(b) must be made by the county superintendent based on the proportion that the mill levy of each fund bears to the total number of mills for all the funds. Whenever the total amount of money available for apportionment under this section is greater than the total requirements of a levy, the excess money and any interest

1 income must be retained in a separate reserve fund, to be
2 reapportioned in the ensuing school fiscal year to the
3 levies designated in subsection (1)(b).

4 (3) In counties in which special road districts have
5 been created according to law, the board of county
6 commissioners shall distribute a proportionate share of the
7 $66 \frac{2}{3}\%$ of the total amount received for the general road
8 fund to the special road districts within the county based
9 upon the percentage that the total area of the road district
10 bears to the total area of the entire county."

11 **Section 2.** Section 20-3-104, MCA, is amended to read:

12 "20-3-104. Discretionary staff. In addition to the
13 positions of employment listed in 20-3-103, the
14 superintendent of public instruction may employ:

15 (1) one or more assistant superintendents, one of whom
16 may be designated as assistant superintendent for vocational
17 education;

18 (2) a high school supervisor who is the holder of a
19 class 3 teacher certificate with a district superintendent
20 endorsement;

21 (3) an elementary supervisor who is the holder of a
22 valid teacher certificate;

23 (4) ~~a---competent---person---to---develop---economy---and~~
24 ~~efficiency---in---school---transportation---and---to---otherwise~~
25 ~~supervise-the-transportation-program;~~

1 ~~(5)~~ a music supervisor who is a graduate of an
2 accredited institution of higher education in music
3 education and who has not less than 5 years of teaching
4 experience;

5 ~~(6)~~(5) an educational media supervisor who is a
6 graduate of an accredited institution of higher education
7 and who has experience in the field of educational media;
8 and

9 ~~(7)~~(6) any other supervisors or assistants as may be
10 required to carry out the duties of ~~his~~ the office."

11 **Section 3.** Section 20-3-106, MCA, is amended to read:

12 "20-3-106. Supervision of schools -- powers and duties.
13 The superintendent of public instruction has the general
14 supervision of the public schools and districts of the state
15 and shall perform the following duties or acts in
16 implementing and enforcing the provisions of this title:

17 (1) resolve any controversy resulting from the
18 proration of costs by a joint board of trustees under the
19 provisions of 20-3-362;

20 (2) issue, renew, or deny teacher certification and
21 emergency authorizations of employment;

22 (3) negotiate reciprocal tuition agreements with other
23 states in accordance with the provisions of 20-5-314;

24 (4) serve on the teachers' retirement board in
25 accordance with the provisions of 2-15-1010;

1 (5) approve or disapprove the orders of a high school
2 boundary commission in accordance with the provisions of
3 20-6-311;

4 (6) approve or disapprove the opening or reopening of a
5 school in accordance with the provisions of 20-6-502,
6 20-6-503, 20-6-504, or 20-6-505;

7 (7) approve or disapprove school isolation within the
8 limitations prescribed by 20-9-302;

9 (8) generally supervise the school budgeting procedures
10 prescribed by law in accordance with the provisions of
11 20-9-102 and prescribe the school budget format in
12 accordance with the provisions of 20-9-103 and 20-9-506;

13 (9) establish a system of communication for calculating
14 joint district revenues in accordance with the provisions of
15 20-9-151;

16 (10) approve or disapprove the adoption of a district's
17 budget amendment resolution under the conditions prescribed
18 in 20-9-163 and adopt rules for an application for
19 additional direct state aid for a budget amendment in
20 accordance with the approval and disbursement provisions of
21 20-9-166;

22 (11) generally supervise the school financial
23 administration provisions as prescribed by 20-9-201(2);

24 (12) prescribe and furnish the annual report forms to
25 enable the districts to report to the county superintendent

1 in accordance with the provisions of 20-9-213(5) and the
2 annual report forms to enable the county superintendents to
3 report to the superintendent of public instruction in
4 accordance with the provisions of 20-3-209;

5 (13) approve, disapprove, or adjust an increase of the
6 average number belonging (ANB) in accordance with the
7 provisions of 20-9-313 and 20-9-314;

8 (14) distribute BASE aid and special education allowable
9 cost payments in support of the BASE funding program, in
10 accordance with the provisions of 20-9-331, 20-9-333,
11 20-9-342, 20-9-346, 20-9-347, and 20-9-366 through 20-9-369;
12 ~~{15} provide for the uniform and equal provision of~~
13 ~~transportation by performing the duties prescribed by the~~
14 ~~provisions of 20-10-112;~~

15 ~~{16}~~ (15) approve or disapprove an adult education
16 program for which a district proposes to levy a tax in
17 accordance with the provisions of 20-7-705;

18 ~~{17}~~ (16) request, accept, deposit, and expend federal
19 money in accordance with the provisions of 20-9-603;

20 ~~{18}~~ (17) authorize the use of federal money for the
21 support of an interlocal cooperative agreement in accordance
22 with the provisions of 20-9-703 and 20-9-704;

23 ~~{19}~~ (18) prescribe the form and contents of and approve
24 or disapprove interstate contracts in accordance with the
25 provisions of 20-9-705;

1 ~~†20†~~(19) approve or disapprove the conduct of school on
 2 a Saturday or on pupil-instruction-related days in
 3 accordance with the provisions of 20-1-303 and 20-1-304;
 4 ~~†21†~~(20) recommend standards of accreditation for all
 5 schools to the board of public education and evaluate
 6 compliance with the standards and recommend accreditation
 7 status of every school to the board of public education in
 8 accordance with the provisions of 20-7-101 and 20-7-102;
 9 ~~†22†~~(21) collect and maintain a file of curriculum
 10 guides and assist schools with instructional programs in
 11 accordance with the provisions of 20-7-113 and 20-7-114;
 12 ~~†23†~~(22) establish and maintain a library of visual,
 13 aural, and other educational media in accordance with the
 14 provisions of 20-7-201;
 15 ~~†24†~~(23) license textbook dealers and initiate
 16 prosecution of textbook dealers violating the law in
 17 accordance with the provisions of the textbooks part of this
 18 title;
 19 ~~†25†~~(24) as the governing agent and executive officer of
 20 the state of Montana for K-12 vocational education, adopt
 21 the policies prescribed by and in accordance with the
 22 provisions of 20-7-301;
 23 ~~†26†~~(25) supervise and coordinate the conduct of special
 24 education in the state in accordance with the provisions of
 25 20-7-403;

1 ~~†27†~~(26) administer the traffic education program in
 2 accordance with the provisions of 20-7-502;
 3 ~~†28†~~(27) administer the school food services program in
 4 accordance with the provisions of 20-10-201, 20-10-202, and
 5 20-10-203;
 6 ~~†29†~~(28) review school building plans and specifications
 7 in accordance with the provisions of 20-6-622;
 8 ~~†30†~~(29) prescribe the method of identification and
 9 signals to be used by school safety patrols in accordance
 10 with the provisions of 20-1-408;
 11 ~~†31†~~(30) provide schools with information and technical
 12 assistance for compliance with the student assessment rules
 13 provided for in 20-2-121 and collect and summarize the
 14 results of the student assessment for the board of public
 15 education and the legislature;
 16 ~~†32†~~(31) administer the distribution of guaranteed tax
 17 base aid in accordance with 20-9-366 through 20-9-369; and
 18 ~~†33†~~(32) perform any other duty prescribed from time to
 19 time by this title, any other act of the legislature, or the
 20 policies of the board of public education."
 21 **Section 4.** Section 20-3-107, MCA, is amended to read:
 22 "20-3-107. **Controversy appeal.** (1) The superintendent
 23 of public instruction shall decide matters of controversy
 24 when they are appealed from:
 25 ~~†a†~~ a decision of a county superintendent rendered

1 under the provisions of 20-3-2107-or

2 ~~(b) a decision of a county transportation committee~~
3 ~~rendered under the provisions of 20-10-132.~~

4 (2) The superintendent of public instruction shall make
5 his a decision on the basis of the transcript of the
6 fact-finding hearing conducted by the county superintendent
7 ~~or county transportation committee~~ and documents presented
8 at the hearing. The superintendent of public instruction may
9 require, if ~~he deems it is considered~~ necessary, affidavits,
10 verified statements, or sworn testimony as to the facts in
11 issue. The decision of the superintendent of public
12 instruction ~~shall be~~ is final, subject to the proper legal
13 remedies in the state courts. ~~Such~~ The proceedings ~~shall~~
14 must be commenced no later than 60 days after the date of
15 the decision of the superintendent of public instruction.

16 (3) In order to establish a uniform method of hearing
17 and determining matters of controversy arising under this
18 title, the superintendent of public instruction shall
19 prescribe and enforce rules of practice and regulations for
20 the conduct of hearings and the determination of appeals by
21 all school officials of the state.

22 (4) Whenever in a contested case the superintendent of
23 public instruction is disqualified from rendering a final
24 decision, he the superintendent of public instruction shall
25 appoint a hearing examiner as provided in 2-4-611 and the

1 decision of the hearing examiner constitutes the
2 superintendent's final order except as provided in this
3 subsection. Such A final order is subject to all the
4 provisions of Title 2, chapter 4, relating to final agency
5 decisions or orders, including judicial review under Title
6 2, chapter 4, part 7."

7 **Section 5.** Section 20-3-205, MCA, is amended to read:

8 **"20-3-205. Powers and duties.** The county superintendent
9 has general supervision of the schools of the county within
10 the limitations prescribed by this title and shall perform
11 the following duties or acts:

12 (1) determine, establish, and reestablish trustee
13 nominating districts in accordance with the provisions of
14 20-3-352, 20-3-353, and 20-3-354;

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

18 (3) register the teacher or specialist certificates or
19 emergency authorization of employment of any person employed
20 in the county as a teacher, specialist, principal, or
21 district superintendent in accordance with the provisions of
22 20-4-202;

23 (4) act on each tuition ~~and transportation~~ obligation
24 submitted in accordance with the provisions of 20-5-323 and
25 20-5-324;

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

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

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

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

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

14 (10) estimate the average number belonging (ANB) of an
15 opening school in accordance with the provisions of
16 20-6-502, 20-6-503, 20-6-504, or 20-6-506;

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

19 (12) complete the budgets, compute the budgeted revenues
20 and tax levies, file final budgets and budget amendments,
21 and fulfill other responsibilities assigned under the
22 provisions of this title regulating school budgeting
23 systems;

24 (13) submit an annual financial report to the
25 superintendent of public instruction in accordance with the

1 provisions of 20-9-211;

2 (14) monthly, unless otherwise provided by law, order
3 the county treasurer to apportion state money, county school
4 money, and any other school money subject to apportionment
5 in accordance with the provisions of 20-9-212, 20-9-334, or
6 20-9-347, ~~20-10-145, or 20-10-146~~;

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

10 (16) calculate the estimated budgeted general fund
11 sources of revenue in accordance with the general fund
12 revenue provisions of the general fund part of this title;

13 (17) compute the revenues revenue and the district and
14 county levy requirements for each fund included in each
15 district's final budget and report the computations to the
16 board of county commissioners in accordance with the
17 provisions of the general fund, transportation, bonds, and
18 other school funds parts of this title;

19 (18) file ~~and--forward~~ bus driver certifications,
20 ~~transportation---contracts,---and---state---transportation~~
21 ~~reimbursement-claims~~ in accordance with the provisions of
22 20-10-103, ~~20-10-143, or 20-10-145~~;

23 (19) for districts that do not employ a district
24 superintendent or principal, recommend library book and
25 textbook selections in accordance with the provisions of

1 20-7-204 or 20-7-602;

2 (20) notify the superintendent of public instruction of
3 a textbook dealer's activities when required under the
4 provisions of 20-7-605 and otherwise comply with the
5 textbook dealer provisions of this title;

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

9 (22) perform any other duty prescribed ~~from-time-to-time~~
10 by this title, any other act of the legislature, the
11 policies of the board of public education, the policies of
12 the board of regents relating to community college
13 districts, or the rules of the superintendent of public
14 instruction;

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

17 (24) keep a record of official acts, preserve all
18 reports submitted to the superintendent under the provisions
19 of this title, preserve all books and instructional
20 equipment or supplies, keep all documents applicable to the
21 administration of the office, and surrender all records,
22 books, supplies, and equipment to the next superintendent;

23 (25) within 90 days after the close of the school fiscal
24 year, publish an annual report in the county newspaper
25 stating the following financial information for the school

1 fiscal year just ended for each district of the county:

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

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

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

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

11 (26) hold meetings for the members of the trustees from
12 ~~time-to-time~~ at which matters for the good of the districts
13 must be discussed."

14 **Section 6.** Section 20-3-206, MCA, is amended to read:

15 "20-3-206. Additional positions. ~~in--his--capacity-as~~
16 ~~county-superintendent, he~~ The county superintendent also
17 shall serve as:

18 (1) ~~the---chairman---of---the---county---transportation~~
19 ~~committee, as prescribed by 20-10-131;~~

20 ~~(2)~~ a member of the high school boundary commission of
21 the county, as prescribed by 20-6-304;

22 ~~(3)~~ (2) an attendance officer for a district under the
23 conditions prescribed by 20-5-104; and

24 ~~(4)~~ (3) the clerk of a joint board of trustees under the
25 conditions prescribed by 20-3-361."

Section 7. Section 20-5-102, MCA, is amended to read:

"20-5-102. Compulsory enrollment and excuses. (1)

Except as provided in subsection (2), any parent, guardian, or other person who is responsible for the care of any child who is 7 years of age or older prior to the first day of school in any school fiscal year shall cause the child to be instructed in the program prescribed by the board of public education pursuant to 20-7-111 until the later of the following dates:

(a) the child's 16th birthday;

(b) the date of completion of the work of the 8th grade.

(2) A parent, guardian, or other person shall enroll the child in the school assigned by the trustees of the district within the first week of the school term or when he the child establishes residence in the district unless the child is:

(a) enrolled in a school of another district or state under any of the tuition provisions of this title;

(b) ~~provided--with--supervised--correspondence--study--or supervised--home--study--under--the--transportation--provisions--of this--title;~~

~~(c)~~ excused from compulsory school attendance upon a determination by a district judge that attendance is not in the best interest of the child;

~~(d)~~(c) excused by the board of trustees upon a determination that attendance by a child who has attained the age of 16 is not in the best interest of the child and the school; or

~~(e)~~(d) enrolled in a nonpublic or home school that complies with the provisions of 20-5-109. For the purposes of this subsection ~~(e)~~ (d), a home school is the instruction by a parent of his a child, stepchild, or ward in his the parent's residence and a nonpublic school includes a parochial, church, religious, or private school."

Section 8. Section 20-5-320, MCA, is amended to read:

"20-5-320. Attendance with discretionary approval. (1)

A child may be enrolled in and attend a school in a Montana school district that is outside of the child's district of residence or a public school in a district of another state or province that is adjacent to the county of the child's residence, subject to discretionary approval by the trustees of the resident district and the district of choice. If the trustees grant discretionary approval of the child's attendance in a school of the district, the parent or guardian may be charged tuition and may be charged for transportation.

(2) (a) Whenever a parent or guardian of a child wishes to have the child attend a school under the provisions of this section, the parent or guardian shall apply to the

1 trustees of the district where the child wishes to attend.
 2 The application must be made on an out-of-district
 3 attendance agreement form supplied by the district and
 4 developed by the superintendent of public instruction.

5 (b) The attendance agreement must set forth the
 6 financial obligations, if any, for tuition and for costs
 7 incurred for transporting the child under ~~Title 20, chapter~~
 8 ~~10~~.

9 (c) The trustees of the district of choice may waive
 10 any or all of the tuition rate, but any waiver must be
 11 applied equally to all students.

12 (3) An out-of-district attendance agreement approved
 13 under this section requires that the parent or guardian
 14 initiate the request for an out-of-district attendance
 15 agreement and that the trustees of both the district of
 16 residence and the district of choice approve the agreement.

17 (4) If the trustees of the district of choice waive
 18 tuition, approval of the resident district trustees is not
 19 required.

20 (5) The trustees of a school district may approve or
 21 disapprove the out-of-district attendance agreement
 22 consistent with this part and the policy adopted by the
 23 local board of trustees for out-of-district attendance
 24 agreements.

25 (6) The approval of an out-of-district attendance

1 agreement by the applicable approval agents or as the result
 2 of an appeal must authorize the child named in the agreement
 3 to enroll in and attend the school named in the agreement
 4 for the designated school year.

5 (7) The trustees of the district where the child wishes
 6 to attend have the discretion to approve any attendance
 7 agreement.

8 (8) This section does not preclude the trustees of a
 9 district from approving an attendance agreement for
 10 educational program offerings not provided by the resident
 11 district, such as the kindergarten or grades 7 and 8
 12 programs, if the trustees of both districts agree to the
 13 terms and conditions for attendance and any tuition and
 14 transportation requirement. For purposes of this subsection,
 15 the trustees of the resident district shall initiate the
 16 out-of-district agreement.

17 (9) (a) A provision of this title may not be construed
 18 to deny a parent the right to send a child, at personal
 19 expense, to any school of a district other than the resident
 20 district when the trustees of the district of choice have
 21 approved an out-of-district attendance agreement and the
 22 parent has agreed to pay the tuition as prescribed by
 23 20-5-323. However, under this subsection (9), the tuition
 24 rate must be reduced by the amount the parent or guardian of
 25 the child paid in district and county property taxes during

1 the immediately preceding school fiscal year for the benefit
2 and support of the district in which the child will attend
3 school.

4 (b) For the purposes of this section, "parent or
5 guardian" includes an individual shareholder of a domestic
6 corporation as defined in 35-1-113 whose shares are 95% held
7 by related family members to the sixth degree of
8 consanguinity or by marriage to the sixth degree of
9 affinity.

10 (c) The tax amount to be credited to reduce any tuition
11 charge to a parent or guardian under subsection (9)(a) is
12 determined in the following manner:

13 (i) determine the percentage of the total shares of the
14 corporation held by the shareholder parent or parents or
15 guardian;

16 (ii) determine the portion of property taxes paid in the
17 preceding school fiscal year by the corporation, parent, or
18 guardian for the benefit and support of the district in
19 which the child will attend school.

20 (d) The percentage of total shares as determined in
21 subsection (9)(c)(i) is the percentage of taxes paid as
22 determined in subsection (9)(c)(ii) that is to be credited
23 to reduce the tuition charge.

24 (10) As used in 20-5-320 through 20-5-324, the term
25 "guardian" means the guardian of a minor as provided in

1 Title 72, chapter 5, part 2."

2 **Section 9.** Section 20-5-321, MCA, is amended to read:

3 **"20-5-321. Attendance with mandatory approval --**
4 **tuition and---transportation.** (1) An out-of-district
5 attendance agreement that allows a child to enroll in and
6 attend a school in a Montana school district that is outside
7 of the child's district of residence or in a public school
8 district of a state or province that is adjacent to the
9 county of the child's residence is mandatory whenever:

10 (a) the child resides closer to the school than the
11 child wishes to attend and more than 3 miles from the school
12 the child would attend in the resident district;

13 (b) the child resides in a location where, due to road
14 or geographic conditions, it is impractical to attend the
15 school nearest the child's residence;

16 (c) the child is a member of a family who must send
17 another child outside of the elementary district to attend
18 high school and the child of elementary age may more
19 conveniently attend an elementary school where the high
20 school is located, provided the child resides more than 3
21 miles from an elementary school in the resident district or
22 the parent must move to the elementary district where the
23 high school is located to enroll another child in high
24 school;

25 (d) the child has been adjudicated by a court of

1 competent jurisdiction to be an abused, neglected, or
 2 dependent child, as defined in 41-3-102, or a youth in need
 3 of supervision or a delinquent youth, as defined in
 4 41-5-103, and has been placed in a licensed youth care
 5 facility that is approved by the department of family
 6 services and, as a result of the placement, is required to
 7 attend school outside of the child's district of residence;
 8 or

9 (e) the child is required to attend school outside of
 10 the district of residence as the result of a placement by a
 11 state agency or parent in a group home licensed by the state
 12 or an order of a court of competent jurisdiction.

13 (2) (a) Whenever a parent or guardian of a child, an
 14 agency of the state, or a court wishes to have a child
 15 attend a school under the provisions of this section, the
 16 parent or guardian, agency, or court shall complete an
 17 out-of-district attendance agreement in consultation with an
 18 appropriate official of the district the child will attend.

19 (b) The attendance agreement must set forth the
 20 financial obligations, if any, for costs incurred for
 21 tuition and any discretionary provision of transportation or
 22 for tuition as provided in 20-5-323 and ~~Title 20, chapter~~
 23 ~~10.~~

24 (c) The trustees of the district of choice may waive
 25 any or all of the tuition rate, but any waiver must be

1 applied equally to all students.

2 (3) Except as provided in subsection (4), the trustees
 3 of the resident district and the trustees of the district of
 4 choice shall approve the out-of-district attendance
 5 agreement and notify the county superintendent of schools of
 6 the county of the child's residence of the approval of the
 7 agreement within 10 days. The county superintendent shall
 8 approve the agreement for payment under 20-5-324(5).

9 (4) Unless the child is a child with disabilities who
 10 resides in the district, the trustees of the district where
 11 the school to be attended is located may disapprove an
 12 out-of-district attendance agreement whenever they find
 13 that, due to insufficient room and overcrowding, the
 14 accreditation of the school would be adversely affected by
 15 the acceptance of the child."

16 **Section 10.** Section 20-5-323, MCA, is amended to read:

17 **"20-5-323. Tuition and transportation rates.** (1) Except
 18 as provided in subsections (3) and (4), whenever a child has
 19 approval to attend a school outside of the child's district
 20 of residence under the provisions of 20-5-320 or 20-5-321,
 21 the basis of the rate of tuition is a flat rate for each of
 22 the 15 district-size groupings determined by rule by the
 23 superintendent of public instruction by March 15 of each
 24 year, using statewide district expenditure and revenue data
 25 for the general fund, debt service fund, and retirement fund

1 to determine the average district contribution.

2 (2) The tuition for children with disabilities must be
3 determined under rules adopted by the superintendent of
4 public instruction for the calculation of tuition for
5 special education pupils.

6 (3) The tuition rate for out-of-district placement
7 pursuant to 20-5-321(1)(d) and (1)(e) for a student without
8 disabilities who requires a program with costs that exceed
9 the average district costs must be determined as the actual
10 individual costs of providing that program according to the
11 following:

12 (a) the district of attendance and the district,
13 person, or entity responsible for the tuition payments shall
14 approve an agreement with the district of attendance for the
15 tuition cost; and

16 (b) for a Montana resident student, the average
17 district per-ANB foundation payment amount received in the
18 year for which the tuition charges are calculated must be
19 subtracted from the per-student program costs for a Montana
20 resident student.

21 (4) When a child attends a public school of another
22 state or province or has been placed by a state agency in an
23 out-of-state residential program, the amount of daily
24 tuition may not be greater than the average annual cost per
25 student in the child's district of residence. This

1 calculation for tuition purposes is determined by totaling
2 all of the expenditures for all of the district budgeted
3 funds for the preceding school fiscal year and dividing that
4 amount by the October 1 enrollment in the preceding school
5 fiscal year. For the purposes of this subsection, the
6 following do not apply:

7 (a) placement of a child with disabilities pursuant to
8 Title 20, chapter 7, part 4;

9 (b) placement made in a state or province with a
10 reciprocal tuition agreement pursuant to 20-5-314; or

11 (c) an order issued under Title 40, chapter 4, part 2.

12 ~~{5}--The amount, if any, charged for transportation may~~
13 ~~not exceed the lesser of the average transportation cost per~~
14 ~~student in the child's district of residence or 21.25 cents~~
15 ~~per mile. The average expenditures for the district~~
16 ~~transportation fund for the preceding school fiscal year~~
17 ~~must be calculated by dividing the transportation fund~~
18 ~~expenditures by the October 1 enrollment for the preceding~~
19 ~~fiscal year."~~

20 **Section 11.** Section 20-5-324, MCA, is amended to read:

21 "20-5-324. Tuition report and payment provisions. (1)
22 At the close of the school term of each school fiscal year
23 and before July 15, the trustees of a district shall report
24 to the county superintendent:

25 (a) the name and district of residence of each child

1 who is attending a school of the district under an approved
2 mandatory out-of-district attendance agreement;

3 (b) the number of days of enrollment for each child
4 reported under the provisions of subsection (1)(a);

5 (c) the annual tuition rate for each child's tuition
6 payment, as determined under the provisions of 20-5-323, and
7 the tuition cost for each reported child; and

8 (d) the names, districts of attendance, and amount of
9 tuition to be paid by the district for resident students
10 attending public schools out of state.

11 (2) The county superintendent shall send, as soon as
12 practicable, the reported information to the county
13 superintendent of the county in which a reported child
14 resides.

15 (3) Before July 30, the county superintendent shall
16 report the information in subsection (1)(d) to the
17 superintendent of public instruction, who shall determine
18 the total foundation amount for which the district would be
19 eligible if the student were enrolled in the resident
20 district. The reimbursement amount is the difference between
21 the actual amount paid and the amount calculated in this
22 subsection.

23 (4) Notwithstanding the requirements of subsection (5),
24 tuition payment provisions for out-of-district placement of
25 students with disabilities must be determined pursuant to

1 Title 20, chapter 7, part 4.

2 (5) Except as provided in subsection (6), when a child
3 has approval to attend a school outside the child's district
4 of residence under the provisions of 20-5-320 or 20-5-321,
5 the district of residence shall finance the tuition amount
6 from the district tuition fund ~~and any transportation amount~~
7 ~~from the transportation fund~~.

8 (6) When a child has mandatory approval under the
9 provisions of 20-5-321, the tuition ~~and transportation~~
10 obligation for an elementary school child attending a school
11 outside of the child's county of residence must be financed
12 by the county basic tax for elementary districts, as
13 provided in 20-9-331, for the child's county of residence or
14 for a high school child attending a school outside the
15 county of residence by the county basic tax for high school
16 districts, as provided in 20-9-333, for the child's county
17 of residence.

18 (7) By December 31 of the school fiscal year, the
19 county superintendent or the trustees shall pay at least
20 one-half of any tuition ~~and transportation~~ obligation
21 established under this section out of the money realized to
22 date from the appropriate basic county tax account provided
23 for in 20-9-334 or from the district tuition ~~or~~
24 ~~transportation~~ fund. The remaining tuition ~~and~~
25 ~~transportation~~ obligation must be paid by June 15 of the

1 school fiscal year. The payments must be made to the county
 2 treasurer in each county with a school district that is
 3 entitled to tuition ~~and-transportation~~. Except as provided
 4 in subsection (9), the county treasurer shall credit tuition
 5 receipts to the general fund of a school district entitled
 6 to a tuition payment. The tuition receipts must be used in
 7 accordance with the provisions of 20-9-141. ~~The county~~
 8 ~~treasurer--shall--credit--transportation--receipts--to--the~~
 9 ~~transportation--fund--of--a--school--district--entitled-to-a~~
 10 ~~transportation-payment.~~

11 (8) The superintendent of public instruction shall
 12 reimburse the district of residence from the state
 13 equalization account for the foundation amount determined in
 14 subsection (3).

15 (9) (a) Any tuition receipts received under the
 16 provisions of 20-5-323(3) or Title 20, chapter 7, part 4, or
 17 ~~20-5-323(3)~~ for the current school fiscal year that exceed
 18 the tuition receipts of the prior year may be deposited in
 19 the district miscellaneous programs fund and must be used
 20 for that year in the manner provided for in 20-9-507 to
 21 support the costs of the program for which the tuition was
 22 received.

23 (b) Any other tuition receipts received for the current
 24 school fiscal year that exceed the tuition receipts of the
 25 prior year may be deposited in the district miscellaneous

1 programs fund and may be used for that year in the manner
 2 provided for in that fund. For the ensuing school fiscal
 3 year, the receipts must be credited to the district general
 4 fund budget."

5 **Section 12.** Section 20-6-401, MCA, is amended to read:

6 **"20-6-401. Definitions.** As used in this part, unless
 7 the context clearly indicates otherwise, the following
 8 definitions apply:

9 (1) "Component districts" means the elementary or high
 10 school districts incorporated into the enlarged district.

11 (2) "Eligible pupils" means the average number
 12 belonging (ANB) in the operating schools of the component
 13 districts and the tuition pupils residing in the component
 14 districts and attending another district's school under the
 15 tuition provisions of the school laws, except that the
 16 pupils residing in the component district having the largest
 17 total number of pupils are ineligible for bonus payment
 18 consideration.

19 (3) "Enlarged district" means the elementary or high
 20 school district resulting from the consolidation or
 21 annexation of two or more component districts.

22 (4) "General bonus payment" for first- and second-class
 23 school districts must be \$450 per eligible pupil per year
 24 for a period of 3 years and must be deposited in the
 25 enlarged district's general fund. General bonus payment for

1 third-class school districts must be \$750 per eligible pupil
2 per year for a period of 3 years and must be deposited in
3 the enlarged district's general fund. The general bonus
4 payment must be made from the state school equalization aid
5 account.

6 (5) ~~---"Transportation-bonus-payment" is the provision of~~
7 ~~66-2/3% state financing of the on-schedule transportation~~
8 ~~amount as provided by the transportation provisions of the~~
9 ~~school laws. When an eligible pupil is entitled to~~
10 ~~transportation, the enlarged district is entitled to the~~
11 ~~transportation bonus payment for the eligible pupil for a~~
12 ~~period of 3 years. The payment must be made from the state~~
13 ~~transportation aid account. When the eligible pupil rides a~~
14 ~~bus providing transportation for ineligible pupils, the 66~~
15 ~~2/3% state financing of the on-schedule amount for this~~
16 ~~payment must be prorated to provide financing for the~~
17 ~~eligible pupil."~~

18 **Section 13.** Section 20-6-406, MCA, is amended to read:

19 "20-6-406. Disbursal and deposit of bonus payments. On
20 or before June 30 of the next 3 consecutive years following
21 the year of application, the superintendent of public
22 instruction shall disburse the bonus payments for approved
23 applications to the enlarged school district, and such the
24 disbursement is statutorily appropriated as provided in
25 17-7-502. The general bonus payment ~~shall~~ must be deposited

1 by the county treasurer in the enlarged district's general
2 fund, ~~and the transportation bonus payment shall be~~
3 ~~deposited by the county treasurer in the transportation~~
4 ~~fund. These A bonus payments shall not be~~ is not considered
5 as a part of the regular state equalization aid ~~or state~~
6 ~~transportation aid~~ received by the enlarged district."

7 **Section 14.** Section 20-7-420, MCA, is amended to read:

8 "20-7-420. Residency requirements -- financial
9 responsibility for special education. (1) In accordance with
10 the provisions of 1-1-215, a child's district of residence
11 for special education purposes is the residence of the
12 child's parents or of the child's guardian if the parents
13 are deceased, unless otherwise determined by the court. This
14 applies to a child living at home, in an institution, or
15 under foster care. If the parent has left the state, the
16 parent's ~~last-known~~ last-known district of residence is the
17 child's district of residence.

18 (2) The county of residence is financially responsible
19 for tuition ~~and transportation~~ as established under 20-5-323
20 for a child with disabilities, as defined in 20-7-401,
21 including a child who has been placed by a state agency in a
22 foster care or group home licensed by the state. The county
23 of residence is not financially responsible for tuition ~~and~~
24 ~~transportation~~ for a child with disabilities who is placed
25 by a state agency in an out-of-state public school or an

1 out-of-state private residential facility.

2 (3) If an eligible child, as defined in 20-7-436, is
3 receiving inpatient treatment in an in-state residential
4 treatment facility or children's psychiatric hospital, as
5 defined in 20-7-436, and the educational services are
6 provided by a public school district under the provisions of
7 20-7-411 or 20-7-435, the superintendent of public
8 instruction shall reimburse the district providing the
9 services for the negotiated amount, as established pursuant
10 to 20-7-435(5), that represents the district's costs of
11 providing education and related services. Payments must be
12 made from funds appropriated for this purpose. If the
13 negotiated amount exceeds the daily membership rate under
14 20-7-435(3) and any per-ANB amount of direct state aid, the
15 superintendent of public instruction shall pay the remaining
16 balance from the state equalization aid account. However,
17 the amount spent from the state equalization aid account for
18 this purpose may not exceed \$500,000 during any biennium.

19 (4) Under the provisions of 20-7-422(3), the
20 superintendent of public instruction shall provide funds for
21 the education fees required to provide a free appropriate
22 public education for a child with disabilities who is in
23 need of special education and related services and is placed
24 by a state agency in an out-of-state private residential
25 facility or out-of-state public school, provided that, in

1 determining the special education services needed for the
2 child with disabilities, the district of residence has
3 complied with the rules promulgated under 20-7-402.

4 (5) A state agency that makes a placement of a child
5 with disabilities is responsible for the financial costs of
6 room and board and the treatment of the child."

7 **Section 15.** Section 20-7-421, MCA, is amended to read:

8 "20-7-421. Arranging attendance in another district in
9 lieu of a special education program -- tuition. (1) In
10 accordance with a placement decision made by persons
11 determining an individualized education program for a child
12 with disabilities, the trustees may arrange for the
13 attendance of a child in need of special education and
14 related services in another district within the state of
15 Montana.

16 (2) Tuition and---transportation as required under
17 20-5-323 may be charged as provided in 20-7-420."

18 **Section 16.** Section 20-7-424, MCA, is amended to read:

19 "20-7-424. No tuition when attending state institution.
20 Whenever a child is attending a state-funded institution in
21 Montana, the resident district or county is not required to
22 pay tuition to the state institution for the child, but
23 whenever at the recommendation of institution officials the
24 child attends classes conducted by a school within a local
25 district, the district or county where the parents or

1 guardian of the child maintains legal residence shall pay
 2 tuition to the district operating the school in accordance
 3 with the provisions of 20-5-321 or 20-7-421, whichever
 4 section applies to the circumstances of the child.
 5 ~~Transportation payments must be made for students enrolled~~
 6 ~~in any school district classes or receiving training,~~
 7 ~~including summer sessions, at the state institution. The~~
 8 ~~schedule of transportation payments must be approved in~~
 9 ~~accordance with existing transportation payment schedules~~
 10 ~~and must be approved by the county transportation committee~~
 11 ~~and the superintendent of public instruction."~~

12 **Section 17.** Section 20-7-431, MCA, is amended to read:

13 "20-7-431. (Temporary) Allowable cost schedule for
 14 special programs -- superintendent to make rules -- annual
 15 accounting. (1) For the purpose of determining the allowable
 16 cost payment amount for special education as defined in
 17 20-9-321, the following schedule of allowable costs must be
 18 followed by the school district in preparation of its
 19 special education budget for state aid request purposes and
 20 by the superintendent of public instruction in ~~his~~ the
 21 review and approval of the budget (for the purposes of
 22 determining the amount of the allowable cost payment for
 23 special education for the district, and as used in this
 24 schedule, "full-time special pupil" and "regular ANB" are to
 25 be determined in accordance with 20-9-311 and 20-9-313):

1 (a) instruction: salaries, benefits, supplies,
 2 textbooks, and other expenses, including:

3 (i) salaries and benefits of special program teachers,
 4 regular program teachers, teacher aides, special education
 5 supervisors, audiologists, and speech and hearing
 6 clinicians--the entire cost if employed full time in the
 7 special program; if such the personnel are shared between
 8 special and regular programs--a portion of the entire cost
 9 corresponding to the entire working time which that each
 10 person devotes to the special program;

11 (ii) teaching supplies and textbooks if used exclusively
 12 for special programs--the actual total cost;

13 (iii) other expenses, including:

14 (A) contracted services, including fees paid for
 15 professional advice and consultation regarding special
 16 students or the special program, and the delivery of special
 17 education services by public or private agencies--the actual
 18 total cost;

19 (B) transportation costs for special education
 20 personnel who travel on an itinerant basis from school to
 21 school or district to district or to in-state child study
 22 team meetings or in-state individualized education program
 23 meetings--the actual cost to the district calculated on the
 24 same mileage rate used by the district for other travel
 25 reimbursement purposes;

1 (b) supportive services, including:

2 (i) salaries and benefits of professional supportive
3 personnel--the entire cost if employed full time in the
4 special program; if the personnel are shared between special
5 and regular programs--a portion of the entire cost
6 corresponding to the entire working time which that each
7 person devotes to the special program. Professional
8 supportive personnel may include counselors, social workers,
9 psychologists, psychometrists, physicians, nurses, and
10 physical and occupational therapists.

11 (ii) salaries and benefits of clerical personnel who
12 assist professional personnel in supportive services--the
13 entire cost if employed full time in the special program; if
14 the personnel are shared between special and regular
15 programs--a portion of the entire cost corresponding to the
16 entire working time which that each person devotes to the
17 special program;

18 (c) equipment:

19 (i) equipment--the actual total cost;

20 (ii) special equipment for district-owned school buses
21 necessary to accommodate special students--the actual total
22 cost;

23 (iii) special equipment for school buses contracted to
24 transport special students--that portion of the contract
25 price attributable to the cost of special equipment or

1 personnel required to accommodate special students--the
2 actual special cost;

3 (iv) repair and maintenance of equipment--the actual
4 total cost.

5 (2) The superintendent of public instruction shall
6 adopt rules in accordance with the policies of the board of
7 public education for:

8 (a) keeping necessary records for supportive and
9 administrative personnel and any personnel shared between
10 special and regular programs;

11 (b) defining the total special program caseload that
12 must be assigned to specific support persons and the kinds
13 of professional specialties to be considered relevant to the
14 program before the district may count an allowable cost
15 under subsection (1)(b) ~~of this section~~; and

16 (c) defining the kinds or types of equipment whose for
17 which costs may be counted under subsection (1)(c)(i) ~~of~~
18 ~~this section~~.

19 (3) An annual accounting of all expenditures of school
20 district general fund money for special education must be
21 made by the district trustees on forms furnished by the
22 superintendent of public instruction. The superintendent of
23 public instruction shall make rules for the accounting.

24 (4) If a board of trustees chooses to exceed the budget
25 approved by the superintendent of public instruction, costs

1 in excess of the approved budget may not be reimbursed under
2 the allowable cost payment for special education.

3 (5) Allowable costs prescribed in this section do not
4 include the costs of the teachers' retirement system, the
5 public employees' retirement system, the federal social
6 security system, or the costs for unemployment compensation
7 insurance.'

8 (6) (a) Notwithstanding other provisions of the law,
9 the superintendent of public instruction may not approve an
10 allowable cost payment amount for special education that
11 exceeds legislative appropriations; however, any unexpended
12 balance from the first year of a biennial appropriation may
13 be spent in the second year of the biennium in addition to
14 the second year appropriation.

15 (b) If the total allowable cost of the special
16 education budgets exceeds legislative appropriations
17 available for special education, each district shall receive
18 a pro rata share of the available appropriations based upon
19 prioritized budget items as established by the
20 superintendent of public instruction. The amount of the
21 approved budgets in excess of the available appropriations
22 may not be reimbursed under the allowable cost payment for
23 special education and is the responsibility of the school
24 district.

25 20-7-431. (Effective July 1, 1994) Allowable cost

1 schedule for special programs -- superintendent to make
2 rules -- annual accounting. (1) For the purpose of
3 determining the allowable cost payment amount for special
4 education as defined in 20-9-321, the following allowable
5 costs and reports must be reviewed by the superintendent of
6 public instruction for the purposes of determining the
7 amount of the allowable cost payment for special education
8 payments and a district's special education expenditures:

9 (a) instruction: salaries, benefits, supplies,
10 textbooks, and other expenses, including:

11 (i) the cost of salaries and benefits of special
12 program teachers, regular program teachers, and teacher
13 aides, corresponding to the working time that each person
14 devotes to the special program;

15 (ii) the total cost of teaching supplies and textbooks
16 for special programs;

17 (iii) the purchase, rental, repair, and maintenance of
18 instructional equipment required to implement a student's
19 individualized education program;

20 (iv) activities associated with teacher assistance teams
21 that provide prereferral intervention;

22 (v) the cost of contracted services, including fees
23 paid for professional advice and consultation regarding
24 special students or the special program, and the delivery of
25 special education services by public or private agencies;

1 (vi) transportation costs for special education
2 instructional personnel who travel on an itinerant basis
3 from school to school or district to district or to in-state
4 child study team meetings or in-state individualized
5 education program meetings;

6 (b) related services, including:

7 (i) the cost of salaries and benefits of professional
8 supportive personnel, corresponding to the working time that
9 each person devotes to the special program. Professional
10 supportive personnel may include special education
11 supervisors, speech-language pathologists, audiologists,
12 counselors, social workers, psychologists, psychometrists,
13 physicians, nurses, and physical and occupational
14 therapists.

15 (ii) the cost of salaries and benefits of clerical
16 personnel who assist professional personnel in supportive
17 services, corresponding to the working time that each person
18 devotes to the special program;

19 (iii) the cost of supplies for special programs;

20 (iv) activities associated with teacher assistance teams
21 that provide prereferral interventions;

22 (v) the cost of contracted services, including fees
23 paid for professional advice and consultation regarding
24 special students or the special program, and the delivery of
25 special education services by public or private agencies;

1 (vi) transportation costs for special education related
2 services personnel who travel on an itinerant basis from
3 school to school or district to district or to in-state
4 child study team meetings or in-state individualized
5 education program meetings;

6 (vii) equipment purchase, rental, repair, and
7 maintenance required to implement a student's individualized
8 education program;

9 (viii) the additional cost of special education
10 cooperatives or joint boards, including operation and
11 maintenance, travel, recruitment, and administration;

12 (ix) the cost of transportation as identified in the
13 individual education plans of special education pupils.

14 (2) The superintendent of public instruction shall
15 adopt rules in accordance with the policies of the board of
16 public education for keeping necessary records for
17 supportive and administrative personnel and any personnel
18 shared between special and regular programs.

19 (3) An annual accounting of all expenditures of school
20 district general fund money for special education must be
21 made by the district trustees on forms furnished by the
22 superintendent of public instruction. The superintendent of
23 public instruction shall make rules for the accounting.

24 (4) Allowable costs prescribed in this section do not
25 include the costs of the teachers' retirement system, the

public employees' retirement system, the federal social security system, or the costs for unemployment compensation insurance.

(5) (a) Notwithstanding other provisions of the law, the superintendent of public instruction may not approve an allowable cost payment amount for special education that exceeds legislative appropriations; however, any unexpended balance from the first year of a biennial appropriation may be spent in the second year of the biennium in addition to the second year appropriation.

(b) If the total special education allowable cost payment, as determined in 20-9-321, exceeds legislative appropriations available for special education, each district ~~shall~~ must receive a pro rata share of the available appropriations."

Section 18. Section 20-7-441, MCA, is amended to read:

"20-7-441. ~~Special---education---child~~ CHILD WITH DISABILITY -- eligibility for transportation. With the approval of the superintendent of public instruction, any ~~a special--education child~~ WITH A DISABILITY ~~shall-be-eligible for must be provided~~ transportation, ~~which-shall-be-provided~~ by the resident district WHEN TRANSPORTATION IS IDENTIFIED AS A RELATED SERVICE ON THE STUDENT'S INDIVIDUAL EDUCATION PLAN AND, when ~~he~~ the child is enrolled:

(1) in a special education class or program operated by

the district of ~~such~~ the child's residence;

(2) in a special education class or program operated by a Montana district other than the child's resident district;

(3) under an approved tuition OUT-OF-DISTRICT ATTENDANCE agreement in a special education class or program operated outside of the state of Montana; or

(4) under an approved tuition OUT-OF-DISTRICT ATTENDANCE agreement in a private institution."

Section 19. Section 20-7-443, MCA, is amended to read:

"20-7-443. Financial assistance for under-six-year-old special education class or program. Any district operating an approved special education class or program for children under ~~the--age--of~~ 6 years ~~shall-be of age~~ is eligible for financial assistance in accordance with 20-7-431 ~~and--for transportation-reimbursement-under-20-7-442.~~"

Section 20. Section 20-9-166, MCA, is amended to read:

"20-9-166. State financial aid for budget amendments. Whenever a final budget amendment has been adopted for the general fund ~~or-the-transportation-fund~~ to finance the cost of an amendment resulting from increased enrollment, the trustees may apply to the superintendent of public instruction for an increased payment from the state public school equalization aid account for ~~the-BASE-funding-program or--for--state--transportation-reimbursement--or-beth~~ direct state aid. The superintendent of public instruction shall

1 adopt rules for the application. The superintendent of
 2 public instruction shall approve or disapprove each
 3 application for increased direct state aid made in
 4 accordance with 20-9-314 and this section. When the
 5 superintendent of public instruction approves an
 6 application, the superintendent of public instruction shall
 7 determine the additional amount of state aid from the state
 8 public school equalization aid account ~~or--the--state~~
 9 ~~transportation-reimbursement~~ that will be made available to
 10 the applicant district because of the increase in
 11 enrollment. The superintendent of public instruction shall
 12 notify the applicant district of the superintendent's
 13 approval or disapproval and, in the event of approval, the
 14 amount of additional state aid that will be made available
 15 for the general fund ~~or--the--transportation--fund~~. The
 16 superintendent of public instruction shall disburse the
 17 state aid to the eligible district at the time the next
 18 regular state aid payment is made."

19 **Section 21.** Section 20-9-212, MCA, is amended to read:

20 "20-9-212. Duties of county treasurer. The county
 21 treasurer of each county shall:

22 (1) receive and hold all school money subject to
 23 apportionment and keep a separate accounting of its
 24 apportionment to the several districts that are entitled to
 25 a portion of the money according to the apportionments

1 ordered by the county superintendent or by the
 2 superintendent of public instruction. A separate accounting
 3 must be maintained for each county fund supported by a
 4 countywide levy for a specific, authorized purpose,
 5 including:

6 (a) the basic county tax in support of the elementary
 7 BASE aid;

8 (b) the basic special tax for high schools in support
 9 of the high school BASE aid;

10 (c) ~~the--county--tax--in--support-of-the-transportation~~
 11 ~~schedules;~~

12 ~~(d)~~ the county tax in support of the elementary and
 13 high school district retirement obligations; and

14 ~~(e)~~ (d) any other county tax for schools, including the
 15 community colleges, ~~which~~ that may be authorized by law and
 16 levied by the county commissioners.

17 (2) whenever requested, notify the county
 18 superintendent and the superintendent of public instruction
 19 of the amount of county school money on deposit in each of
 20 the funds enumerated in subsection (1) and the amount of any
 21 other school money subject to apportionment and apportion
 22 the county and other school money to the districts in
 23 accordance with the apportionment ordered by the county
 24 superintendent or the superintendent of public instruction;

25 (3) keep a separate accounting of the receipts,

1 expenditures, and cash balances for each fund;

2 (4) except as otherwise limited by law, pay all
3 warrants properly drawn on the county or district school
4 money and properly endorsed by their holders;

5 (5) receive all revenue collected by and for each
6 district and deposit these receipts in the fund designated
7 by law or by the district if a fund is not designated by
8 law. Interest and penalties on delinquent school taxes must
9 be credited to the same fund and district for which the
10 original taxes were levied.

11 (6) send all revenue received for a joint district,
12 part of which is situated in the county, to the county
13 treasurer designated as the custodian of the revenue, no
14 later than December 15 of each year and every 3 months after
15 that date until the end of the school fiscal year;

16 (7) at the direction of the trustees of a district,
17 assist the district in the issuance and sale of tax and
18 revenue anticipation notes as provided in Title 7, chapter
19 6, part 11;

20 (8) register district warrants drawn on a budgeted fund
21 in accordance with 7-6-2604 when there is insufficient money
22 available in all funds of the district to make payment of
23 the warrant. Redemption of registered warrants must be made
24 in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

25 (9) invest the money of any district as directed by the

1 trustees of the district within 3 working days of the
2 direction;

3 (10) each month give to the trustees of each district an
4 itemized report for each fund maintained by the district,
5 showing the paid warrants, outstanding warrants, registered
6 warrants, amounts and types of revenue received, and the
7 cash balance;

8 (11) remit promptly to the state treasurer receipts for
9 the county tax for a vocational-technical center when levied
10 by the board of county commissioners under the provisions of
11 20-16-202;

12 (12) invest the money received from the basic county
13 tax, the basic special tax, and the county levy in support
14 of the elementary and high school district retirement
15 obligations;--and--the--county--levy--in--support--of--the
16 transportation--schedules within 3 working days of receipt.
17 The money must be invested until the working day before it
18 is required to be distributed to school districts within the
19 county or remitted to the state. Permissible investments are
20 specified in 20-9-213(4). All investment income must be
21 deposited, and credited proportionately, in the funds
22 established to account for the taxes received for the
23 purposes specified in subsections (1)(a) through
24 ~~++td+(1)(c).~~

25 (13) remit on a monthly basis to the state treasurer, in

accordance with the provisions of 15-1-504, all county equalization revenue received under the provisions of 20-9-331 and 20-9-333, including all interest earned and excluding any amount required for high school out-of-county tuition under the provisions of 20-9-334, in repayment of the state advance for county equalization prescribed in 20-9-347. Any funds in excess of a state advance must be used as required in 20-9-331(1)(b) and 20-9-333(1)(b)."

Section 22. Section 20-9-506, MCA, is amended to read:

"20-9-506. Budgeting and net levy requirement for nonoperating fund. (1) The trustees of any a district which that does not operate a school or will not operate a school during the ensuing school fiscal year shall adopt a nonoperating school district budget in accordance with the school budgeting provisions of this title. Such The nonoperating budget ~~shall~~ must contain the nonoperating fund and, when appropriate, a debt service fund. The nonoperating budget form ~~shall~~ must be promulgated and distributed by the superintendent of public instruction under the provisions of 20-9-103.

(2) After the adoption of a final budget for the nonoperating fund, the county superintendent shall compute the net levy requirement for such the fund by subtracting from the amount authorized by such the budget the sum of:

(a) the end-of-the-year cash balance of the

nonoperating fund or, if it is the first year of nonoperation, the cash balance determined under the transfer provisions of 20-9-505;

(b) ~~the~~ estimated ~~state and county~~ transportation reimbursements; and

(c) and any other moneys revenue that may become available during the ensuing school fiscal year.

(3) The county superintendent shall report the net nonoperating fund levy requirement and any net debt service fund levy requirement determined under the provisions of 20-9-439 to the county commissioners on the fourth Monday of August, and such the levies ~~shall~~ must be made on the district by the county commissioners in accordance with 20-9-142."

Section 23. Section 20-10-101, MCA, is amended to read:

"20-10-101. Definitions. As used in this title, unless the context clearly indicates otherwise, the following definitions apply:

(1) ~~An "eligible transportee" means a public school pupil who:~~

(a) ~~is 5 years of age or older and has not attained his 21st birthday or who is a preschool child with disabilities between the ages of 3 and 6;~~

(b) ~~is a resident of the state of Montana;~~

(c) ~~regardless of district and county boundaries;~~

~~resides-at-least-3-miles-over-the-shortest-practical-route,
from--the--nearest--operating--public--elementary--school--or
public-high-school--whichever-the-case-may-be--and~~

~~(d)--is-considered-to-reside-with-his-parent-or-guardian
who-maintains-legal-residence-within-the-boundaries--of--the
district--furnishing--the-transportation-regardless-of-where
the--eligible--transportee--actually--lives--when--attending
school;~~

~~(2)(1)~~ (a) A "school bus" means, except as provided in
subsection ~~(2)(b)(1)(b)~~, any motor vehicle that:

(i) complies with the bus standards established by the
board of public education as verified by the Montana
department of justice's semiannual inspection of school
buses and the superintendent of public instruction; and

(ii) is owned by a district or other public agency and
operated for the transportation of pupils to or from school
or owned by a carrier under contract with a district or
public agency to provide transportation of pupils to or from
school.

(b) A school bus does not include a vehicle that is:

(i) privately owned and not operated for compensation
under this title;

~~(ii)-privately--owned--and--operated--for--reimbursement
under-20-10-142;~~

~~(iii)(ii)~~ either district-owned or privately owned,

designed to carry not more than nine passengers, and used to
transport pupils to or from activity events or to transport
pupils to their homes in case of illness or other emergency
situations; or

~~(iv)(iii)~~ an over-the-road passenger coach used only to
transport pupils to activity events.

~~(3)(2)~~ "Transportation" means:

(a) a district's conveyance of a pupil by a school bus
between ~~his~~ the pupil's legal residence or an officially
designated bus stop and the school designated by the
trustees for ~~his~~ the pupil's attendance; or

(b) "individual transportation" whereby a district is
relieved of actually conveying a pupil. Individual
transportation may include paying the parent or guardian for
conveying the pupil ~~reimbursing-the-parent-or-guardian-for
the--pupil's--board--and--room--or--providing--supervised
correspondence-study-or-supervised-home-study.~~

Section 24. Section 20-10-103, MCA, is amended to read:

"20-10-103. School bus driver qualifications. Any
driver of a school bus is qualified to drive a school bus if
the driver:

(1) is not less than 18 years of age;

(2) is of good moral character;

(3) is the holder of a commercial driver's license;

(4) has filed with the district a satisfactory medical

1 examination report, on a form approved by the United States
2 department of transportation or--by--the--superintendent--of
3 public--instruction, signed by any physician licensed in the
4 United States or, if acceptable to an insurance carrier, any
5 licensed physician;

6 (5) has completed a basic first aid course and holds a
7 valid basic first aid certificate from an authorized
8 instructor--The-issuance-of-the-certificate-is-governed-by
9 rules---established---by---the---superintendent---of--public
10 instruction--provided--that--the--rules--may--suspend--this
11 requirement-for-a-reasonable-period-of--time--if--there--has
12 been--an-inadequate-opportunity-for-securing-the-basic-first
13 aid-course-and-certificate-;

14 (6) has complied with any other qualifications
15 established by the board of public education; and

16 (7) has filed with the county superintendent a
17 certificate from the trustees of the district for which the
18 school bus is to be driven, certifying compliance with the
19 driver qualifications enumerated in this section."

20 **Section 25.** Section 20-10-104, MCA, is amended to read:

21 "20-10-104. Penalty for violating law or rules. (1)
22 Every district, its trustees and employees, and every person
23 under a transportation contract with a district shall-be is
24 subject to the policies prescribed by the board of public
25 education and the rules prescribed by the superintendent of

1 public instruction. When-a--district--knowingly--violates--a
2 transportation---law---or---board---of---public---education
3 transportation--policy--such--district--shall--forfeit--any
4 reimbursement--otherwise---payable---under---20-10-145---and
5 20-10-146-for-bus-miles-actually-traveled-during-that-fiscal
6 year--in--violation--of--such--law--or--policies--The-county
7 superintendent-shall-suspend-all-such-reimbursements-payable
8 to-the-district-until-the-district-corrects--the--violation--
9 When---the--district--corrects--the--violation--the--county
10 superintendent-shall-resume--paying--reimbursements--to--the
11 district--but--the--amount-forfeited-may-not-be-paid-to-the
12 district-

13 (2) When a person operating a bus under contract with a
14 district knowingly fails to comply with the a transportation
15 law or the board of public education transportation
16 policies, the district may not pay him the person for any
17 bus miles traveled during the contract year in violation of
18 such the law or policies. Upon discovering such a violation,
19 the trustees of the district shall give written notice to
20 the person that unless the violation is corrected within 10
21 days of the giving of notice, the contract will be canceled.
22 The trustees of a district shall order the operation of a
23 bus operated under contract suspended when the bus is being
24 operated in violation of transportation law or policies and
25 the trustees find that such the violation jeopardizes the

1 safety of pupils."

2 **Section 26.** Section 20-10-107, MCA, is amended to read:

3 "20-10-107. Power and duties of trustees. (1) The
4 trustees of any district ~~shall have the power to~~ may:

5 ~~(1)(a)~~ (a) purchase or rent a school bus;

6 ~~(2)(b)~~ (b) purchase or rent a two-way radio for a school
7 bus when the trustees authorize a two-way radio as standard
8 equipment in a school bus because ~~such~~ the bus is operated
9 where weather and road conditions may constitute a hazard to
10 the safety of the school pupil passengers;

11 ~~(3)(c)~~ (c) provide for the operation, maintenance, and
12 insurance of a school bus or a two-way radio owned or rented
13 by the district; or

14 ~~(4)(d)~~ (d) contract with a private party for the
15 transportation of ~~eligible transportees, and such contract~~
16 ~~shall pupils.~~ The contract may not exceed the a term of 5
17 years.

18 (2) The EXCEPT FOR PROGRAMS ALLOWED UNDER 20-7-441, THE
19 trustees of a district:

20 (A) may not make expenditures from the district general
21 fund budget for any transportation program; All district
22 transportation programs must be budgeted; AND

23 (B) SHALL BUDGET for ALL OTHER DISTRICT TRANSPORTATION
24 PROGRAMS in the district transportation fund under
25 20-10-143, including transportation for the purposes of

1 extracurricular athletics and activities."

2 **Section 27.** Section 20-10-111, MCA, is amended to read:

3 "20-10-111. Duties of board of public education. (1)
4 The board of public education, with the advice of the
5 Montana department of justice and the superintendent of
6 public instruction, shall adopt and enforce ~~policies~~ rules,
7 not inconsistent with the motor vehicle laws, to provide
8 uniform standards and regulations for the design,
9 construction, and operation of school buses in the state of
10 Montana. ~~Such~~ The policies shall:

11 (a) prescribe minimum standards for the design and
12 construction of school buses not inconsistent with:

13 (i) minimum standards adopted by the national
14 commission on safety education; or

15 (ii) minimum standards adopted by the national highway
16 safety bureau;

17 (b) prescribe standards and specifications for the
18 lighting equipment and special warning devices to be carried
19 by school buses in conformity with:

20 (i) current specifications approved by the society of
21 automobile engineers;

22 (ii) motor vehicle laws; and

23 (iii) the requirement that all school buses have an
24 alternately flashing prewarning lighting system of four
25 amber signal lamps to be used while preparing to stop and an

1 alternately flashing warning lighting system of four red
2 signal lamps to be used while stopped in accordance with
3 61-9-402;

4 (c) establish any other driver qualifications
5 considered necessary in addition to the qualifications
6 required in 20-10-103;

7 ~~(d) prescribe--criteria--for---the---establishment---of~~
8 ~~transportation--service--areas--for--school--bus--purposes--by--the~~
9 ~~county--transportation--committee--which--shall--allow--for--the~~
10 ~~establishment--of--such--areas--without--regard--to--the--district~~
11 ~~boundary--lines--within--the--county;~~

12 ~~(e)--prescribe--any--other--criteria--for--the--determination~~
13 ~~of--the--residence--of--a--pupil--that--may--be--deemed--necessary--in~~
14 ~~addition--to--the--criteria--established--in--20-10-105;~~

15 (f) prescribe any other policies for the operation of
16 school buses which that are not inconsistent with:

17 (i) motor vehicle laws;
18 (ii) minimum standards adopted for school bus operation
19 by the national commission on safety education;

20 (iii) highway safety standards; and
21 (iv) the transportation provisions of this title; and

22 ~~(g)~~(e) prescribe standards for the measurement of the
23 child seating capacity of school buses, to be known as the
24 rated capacity.

25 (2) The board of public education shall prescribe any

1 other policy necessary for the proper administration and
2 operation of individual transportation programs that are not
3 inconsistent with the transportation provisions of this
4 title."

5 **Section 28.** Section 20-10-124, MCA, is amended to read:

6 "20-10-124. Private party contract for transportation
7 -- individual transportation contract. (1) When the trustees
8 contract with any private party to provide transportation to
9 eligible-transportees, the private party shall comply in
10 every respect with the regulations of the board of public
11 education for the standards of equipment, operation and
12 safety of the school bus, and qualifications of the driver.
13 The trustees may, in contracting with private parties,
14 require added safeguards by supplementing the board of
15 public education policies in the contract with additional
16 requirements for bus specifications, age of drivers,
17 liability insurance, operating speed, or any other
18 contractual condition deemed considered necessary by the
19 trustees.

20 (2) Any school bus transportation by a private party or
21 individual transportation that is furnished by a district
22 shall must be under contract, ~~and no district, county, or~~
23 ~~state money shall be paid for such transportation services~~
24 ~~to any person or firm who does not hold a legal contract~~
25 ~~with the district. Transportation contracts for the ensuing~~

year shall be completed by the fourth Monday of June, except when an eligible transportee establishes residence in the district after the fourth Monday of June and a contingency amount is included in the regular transportation budget or an emergency transportation budget is adopted.

(3) Transportation contracts between a district and a private party for the provision of school bus transportation shall be subject to the following requirements:

(a) the contract shall be completed in quadruplicate and, upon completion, one copy shall be for the county superintendent, one copy for the private party, one copy for the superintendent of public instruction, and one copy shall be retained by the district;

(b) the contract terms shall require conformance to the transportation law, policies of the board of public education, and rules of the superintendent of public instruction; and

(c) the contract shall be signed by the chairman of the trustees and the private party;

(4) A transportation contract between a parent or guardian of an eligible transportee and a district for the provision of individual transportation shall be subject to the following requirements:

(a) it shall be completed in quadruplicate and, upon approval, one copy shall be for the parent or guardian, one

copy for the district, one copy for the county superintendent, and one copy for the superintendent of public instruction;

(b) it shall be completed on forms promulgated by the superintendent of public instruction;

(c) the parent or guardian shall sign an affidavit attesting to the place of residence of his child or children; and

(d) it shall be signed by the chairman of the trustees and the parent or guardian of the eligible transportees."

Section 29. Section 20-10-143, MCA, is amended to read:

"20-10-143. Budgeting for transportation and transmittal of transportation contracts -- voter approval.

(1) The EXCEPT AS PROVIDED UNDER 20-7-441, THE trustees of a district furnishing transportation to pupils who are residents of the district shall provide a transportation fund budget that is adequate to finance the district's transportation contractual obligations and any other transportation expenditures necessary for the conduct of its transportation program. The transportation fund budget must include:

(a) an adequate amount to finance the maintenance and operation of district-owned-and-operated school buses owned and operated by the district;

(b) the annual contracted amount for the maintenance

1 and operation of school buses by a private party;

2 (c) the annual contracted amount for individual
3 transportation, including any increased amount because of
4 isolation, which may not exceed the schedule amounts
5 prescribed in 20-10-142;

6 (d) any amount necessary for the purchase, rental, or
7 insurance of school buses; and

8 (e) any other amount necessary to finance the
9 administration, operation, or maintenance of the
10 transportation program of the district, as determined by the
11 trustees including transportation for extracurricular
12 athletics and activities.

13 (2) The trustees may include a contingency amount in
14 the transportation fund budget for the purpose of enabling
15 the district to fulfill an obligation to provide
16 transportation in accordance with this title for:

17 (a) pupils not residing in the district at the time of
18 the adoption of the preliminary budget and who subsequently
19 became residents of the district during the school fiscal
20 year; or

21 (b) pupils who have become eligible transportees since
22 the adoption of the preliminary budget because their legal
23 residence has been changed. The budgeted contingency amount
24 may not exceed 10% of the transportation schedule amount as
25 calculated under the provisions of 20-10-141 and 20-10-142

1 for all transportation services authorized by the schedules
2 and provided by the district unless 10% of the
3 transportation schedule amount is less than \$100, in which
4 case \$100 is the maximum limitation for the budgeted
5 contingency amount;

6 (3) A budget amendment to the transportation fund
7 budget may be adopted subject to the provisions of 20-9-161
8 through 20-9-166;

9 (4) The transportation fund budgeted expenditures
10 appropriated by the trustees must be reported on the regular
11 budget form prescribed by the superintendent of public
12 instruction in accordance with 20-9-103, and the The
13 adoption of the transportation fund budget must be completed
14 in accordance with the school budgeting laws. When the
15 adopted preliminary budget is sent to the county
16 superintendent, the trustees shall also send copies of all
17 completed transportation contracts for school bus
18 transportation and individual transportation to the county
19 superintendent. The contracts must substantiate all
20 contracted transportation services incorporated in the
21 preliminary budget, and after the county superintendent has
22 utilized the contracts for that purpose but before the
23 fourth Monday of July, he shall send all transportation
24 contracts received to the superintendent of public
25 instruction. When the county superintendent determines a

~~deviation-between-the-preliminary-transportation-fund-budget
amount---for---contracted---transportation---services---and---the
contracted-amount-for-the---services,---he---shall---immediately
call---the---deviation---to---the---attention---of---the---appropriate
trustees---and---shall---allow---the---trustees---to---change---the
preliminary-budgeted-amount-to-compensate-for-the-deviation.~~

(3) Whenever the trustees of a district adopt a
transportation fund budget, the trustees shall submit a
proposition on the financing to the electors who are
qualified under 20-20-301 to vote on the proposition. The
special election must be called and conducted in the manner
prescribed by this title for school elections. The ballot
for the election must state the amount of money to be
financed, the approximate number of mills required to raise
all or a portion of the money, and the purpose for which the
money will be expended. The ballot must be in the following
format:

PROPOSITION

Shall the district be authorized to expend the sum of
(state the amount to be expended), and being approximately
(give number) mills, for the purpose of (insert the purpose
for which the additional financing is made)?

☐ FOR budget authority and any levy.

☐ AGAINST budget authority and any levy.

(3) If the election on any financing for the

transportation fund is approved by a majority vote of the
electors voting at the election, the proposition carries and
the trustees may use any portion or all of the authorized
amount in adopting the preliminary transportation fund
budget. The trustees shall certify any levy amount
authorized by the special election on the budget form that
is submitted to the county superintendent, and the county
commissioners shall levy the authorized number of mills on
the taxable value of all taxable property within the
district, as prescribed in 20-9-141, to raise the amount of
the levy. Authorization to levy a tax under the provisions
of this section is effective for only 1 school fiscal year
and must be authorized by a special election conducted
before August 1 of the school fiscal year for which it is
effective."

Section 30. Section 20-10-144, MCA, is amended to read:

"20-10-144. Computation of revenue and net tax levy
requirements for district transportation fund budget. (1)
Before the fourth Monday of July and in accordance with
20-9-123, the county superintendent shall compute the
revenue available to finance the transportation fund budget
of each district. The-county-superintendent-shall-compute
the-revenue-for-each-district-on-the-following-basis:

(i)--The--"schedule-amount"--of--the--preliminary--budget
expenditures--that--is--derived--from--the--rate-schedules--in

1 20-10-141 and 20-10-142 must be determined by adding the
 2 following amounts:

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

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

16 (c) any estimated costs for supervised home study or
 17 supervised correspondence study for the ensuing school
 18 fiscal year; plus

19 (d) the amount budgeted on the preliminary budget for
 20 the contingency amount permitted in 20-10-143, except if the
 21 amount exceeds 10% of the total of subsections (1)(a),
 22 (1)(b), and (1)(c) or \$100, whichever is larger; the
 23 contingency amount on the preliminary budget must be reduced
 24 to the limitation amount and used in this determination of
 25 the schedule amount; plus

1 (e) any estimated costs for transporting a child out of
 2 district when the child has mandatory approval to attend
 3 school in a district outside the district of residence;

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

9 (i) one-half is the budgeted state transportation
 10 reimbursement, except that the state transportation
 11 reimbursement for the transportation of special education
 12 pupils under the provisions of 20-7-442 must be 50% of the
 13 schedule amount attributed to the transportation of special
 14 education pupils; and

15 (ii) one-half is the budgeted county transportation fund
 16 reimbursement and must be financed in the manner provided in
 17 20-10-146;

18 (b) When the district has a sufficient amount of cash
 19 for reappropriation and other sources of district revenue,
 20 as determined in subsection (3), to reduce the total
 21 district obligation for financing to zero, any remaining
 22 amount of district revenue and cash reappropriated must be
 23 used to reduce the county financing obligation in subsection
 24 (2)(a)(ii) and, if the county financing obligations are
 25 reduced to zero, to reduce the state financial obligation in

1 subsection-(2)(a)(i);

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

8 (3)(2) The. total of the money available for the
9 reduction of property tax on the district for the
10 transportation fund must be determined by totaling:

11 (a) anticipated---federal---money---received---under---the
12 provisions---of---Title---I---of---Public---Law---81-874---or---other
13 anticipated---federal---money---received---in---lieu---of---that---federal
14 act;

15 (b) anticipated payments from other districts for
16 providing school bus transportation services for the
17 district;

18 (c)(b) anticipated payments from a parent or guardian
19 for providing school bus transportation services for a
20 child;

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

24 (e)(d) anticipated or reappropriated revenue from
25 property taxes and fees imposed under 23-2-517, 23-2-803,

1 61-3-504(2), 61-3-521, 61-3-537, and 67-3-204;

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

4 (g)(f) anticipated net proceeds taxes for new
5 production, as defined in 15-23-601, and local government
6 severance taxes on any other production occurring after
7 December 31, 1988;

8 (h)(g) anticipated transportation payments for
9 out-of-district pupils under the provisions of 20-5-320
10 through 20-5-324;

11 (i)(h) any other revenue anticipated by the trustees to
12 be earned during the ensuing school fiscal year that may be
13 used to finance the transportation fund; and

14 (j)(i) any fund balance available for reappropriation
15 as determined by subtracting the amount of the
16 end-of-the-year fund balance earmarked as the transportation
17 fund operating reserve for the ensuing school fiscal year by
18 the trustees from the end-of-the-year fund balance in the
19 transportation fund. The operating reserve may not be more
20 than 20% of the final transportation fund budget for the
21 ensuing school fiscal year and is for the purpose of paying
22 transportation fund warrants issued by the district under
23 the final transportation fund budget.

24 (4)(3) The district levy requirement for each
25 district's transportation fund must be computed by:

~~{a}--subtracting--the--schedule--amount--calculated---in
subsection--{1}--from--the--total-preliminary-transportation
budget-amount;-and~~

~~{b} subtracting the amount of money available to reduce
the property tax on the district, as determined in
subsection {3}{2}, from the TRANSPORTATION FUND BUDGET
amount determined-in-subsection-{4}{a}{3}{a}.~~

~~{5}{4} The transportation fund levy requirements
determined in subsection {4}{3} for each district must be
reported to the county commissioners on the fourth Monday of
August by the county superintendent as the transportation
fund levy requirements for the district, and the levy must
be made by the county commissioners in accordance with
20-9-142."~~

NEW SECTION. Section 31. Repealer. Sections 20-7-442,
20-10-105, 20-10-106, 20-10-112, 20-10-121, 20-10-122,
20-10-123, 20-10-131, 20-10-132, 20-10-141, 20-10-142,
20-10-145, and 20-10-146, MCA, are repealed.

NEW SECTION. Section 32. Transfer of county
transportation fund cash balance. On July 1, 1994, the
county treasurer shall transfer any ending cash balance in
the county transportation fund on June 30, 1994, to the
basic special tax for high schools account provided in
20-9-333. After July 1, 1994, the county treasurer shall
deposit in the basic special tax for high schools account

any revenue collected from mills or other sources for a
county transportation fund for a school fiscal year prior to
the fiscal year beginning July 1, 1994.

NEW SECTION. Section 33. Effective date --
applicability. [This act] is effective on passage and
approval and applies to school district general fund and
transportation fund budgets for the school fiscal year
beginning July 1, 1994.

-End-