

HOUSE BILL NO. 475

INTRODUCED BY R. BRODEHL

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE FORMULA FOR REIMBURSING SCHOOL  
5 DISTRICTS FOR TRANSPORTATION FROM STATE AND COUNTY RESOURCES; PROVIDING FOR  
6 TRANSPORTATION REIMBURSEMENT BASED ON A DISTRICT'S CURRENT YEAR AVERAGE NUMBER  
7 BELONGING AND CURRENT STATEWIDE AVERAGE REGULAR DIESEL PRICES; ELIMINATING SEPARATE  
8 FUNDING FOR INDIVIDUAL TRANSPORTATION CONTRACTS; AMENDING SECTIONS 20-9-235, 20-10-104,  
9 20-10-141, 20-10-142, 20-10-143, 20-10-144, AND 20-10-145, MCA; AND PROVIDING A DELAYED  
10 EFFECTIVE DATE AND AN APPLICABILITY DATE."

11  
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13  
14 **Section 1.** Section 20-9-235, MCA, is amended to read:  
15 **"20-9-235. Authorization for school district investment account.** (1) The trustees of a school district  
16 may establish investment accounts and may temporarily transfer into the accounts all or a portion of any of its  
17 budgeted or nonbudgeted funds.  
18 (2) Money transferred into investment accounts established under this section may be expended from  
19 a subsidiary checking account under the conditions specified in subsection (3)(b).  
20 (3) The district may either:  
21 (a) establish and use the accounts as nonspending accounts to ensure that district funds remain in an  
22 interest-bearing status until money is reverted to the budgeted or nonbudgeted fund of original deposit as  
23 necessary for use by the county treasurer to pay claims against the district. The district shall ensure that sufficient  
24 money is reverted to the district's budgeted and nonbudgeted funds maintained by the county treasurer in  
25 sufficient time to pay all claims presented against the applicable funds of the district. The county treasurer shall  
26 accept all money that is reverted upon tendered transfer of the district.  
27 (b) establish a subsidiary checking account for expenditures from the investment accounts. The district  
28 may write checks on or provide electronic payments from the account if:  
29 (i) the payments made from the accounts representing budgeted funds are in compliance with the budget  
30 adopted by the trustees;

1 (ii) the accounts are subject to the audit of district finances completed for compliance with 2-7-503 and  
2 20-9-503; and

3 (iii) the district complies with all accounting system requirements required by the superintendent of public  
4 instruction.

5 (4) (a) A district that chooses to establish a school district investment account described in this section  
6 shall enter into a written agreement with the county treasurer. The agreement must:

7 (i) establish specific procedures and reporting dates to comply with the requirements of subsection (3);

8 (ii) be binding upon the district and the county treasurer for a negotiated period of time;

9 (iii) be signed by the presiding officer of the board of trustees and the county treasurer; and

10 (iv) coincide with fiscal years beginning on July 1 and ending on June 30.

11 (b) The district and the county treasurer may renew an agreement, including terms and conditions on  
12 which they agree, provided that the terms and conditions comply with the provisions of this section.

13 (5) Except for debt service money that the county treasurer is required by law to collect and report to the  
14 districts and state transportation reimbursement payments provided for in 20-10-141 and ~~20-10-142~~, all other  
15 revenue may be sent directly to a participating district's investment account.

16 (6) The trustees shall implement an accounting system for the investment account pursuant to rules  
17 adopted by the superintendent of public instruction. The rules for the accounting system must include but are not  
18 limited to:

19 (a) providing for the internal control of deposits into and transfers between a district's investment  
20 accounts and budgeted and nonbudgeted funds of the district;

21 (b) requiring that the principal and interest earned on the principal is allocated to the budgeted or  
22 nonbudgeted fund from which the deposit was originally made; and

23 (c) ensuring that other proper accounting principles are followed.

24 (7) All interest earned on the district's general fund deposits must be allocated for district property tax  
25 reduction as required by 20-9-141.

26 (8) In making deposits to investment accounts under this section, a district shall comply with the  
27 requirements of Title 17, chapter 6, part 1, with respect to deposits in excess of the amount insured by the federal  
28 deposit insurance corporation or the national credit union administration, as applicable.

29 (9) A district establishing investment accounts under the section shall pay the automated clearinghouse  
30 system charges for all automated clearinghouse transfers made by the office of public instruction to the district's

1 accounts."

2

3 **Section 2.** Section 20-10-104, MCA, is amended to read:

4 **"20-10-104. Penalty for violating law or rules.** (1) Every district, its trustees and employees, and every  
5 person under a transportation contract with a district is subject to the policies prescribed by the board of public  
6 education and the rules prescribed by the superintendent of public instruction. When a district knowingly violates  
7 a transportation law or board of public education transportation policy, the district shall forfeit any reimbursement  
8 otherwise payable under 20-10-145 and 20-10-146 ~~for any bus miles actually traveled during that fiscal year in~~  
9 ~~violation of the law or policies.~~

10 (2) A district knowingly violates a transportation law or board of public education policy when it operates  
11 a bus route in a manner that does not comply with state law or board policy related to student safety. ~~As provided~~  
12 ~~in 20-10-141(1), a district that operates a bus route not approved by its county transportation committee may not~~  
13 ~~receive transportation reimbursement on that route, but if the route is operated in compliance with transportation~~  
14 ~~law, the operation of the routes is not a violation that will result in the forfeiture of all transportation aid to the~~  
15 ~~district.~~

16 (3) The county superintendent shall suspend all reimbursements payable to the district under 20-10-145  
17 and 20-10-146 ~~for all miles being traveled, including both miles being traveled in compliance with the~~  
18 ~~transportation laws or policies and miles being traveled in violation of the transportation laws or policies,~~ until the  
19 district corrects the violation. When the district corrects the violation, the county superintendent shall pay all  
20 reimbursements otherwise payable under 20-10-145 and 20-10-146, including amounts suspended during the  
21 violation, but the amount forfeited under subsection (1) may not be paid to the district.

22 (4) When a person operating a bus under contract with a district knowingly fails to comply with the  
23 transportation law or the board of public education transportation policies, the district may not pay the person for  
24 any bus miles traveled during the contract year in violation of law or policies. Upon discovering a violation, the  
25 trustees of the district shall give written notice to the person that unless the violation is corrected within 10 days  
26 of the giving of notice, the contract will be canceled. The trustees of a district shall order the operation of a bus  
27 operated under contract suspended when the bus is being operated in violation of transportation law or policies  
28 and the trustees find that the violation jeopardizes the safety of pupils."

29

30 **Section 3.** Section 20-10-141, MCA, is amended to read:

1           **"20-10-141. Schedule of maximum reimbursement by mileage rates ANB count.** (1) The mileage  
 2 rates in subsection (2) for school transportation constitute the maximum reimbursement to districts for school  
 3 transportation from state and county sources of transportation revenue under the provisions of 20-10-142,  
 4 20-10-145, and 20-10-146. These rates may not limit the amount that a district may budget in its transportation  
 5 fund budget in order to provide for the estimated and necessary cost of school transportation during the ensuing  
 6 school fiscal year. ~~All bus miles traveled on bus routes approved by the county transportation committee are~~  
 7 ~~reimbursable. Nonbus mileage is reimbursable for a vehicle driven by a bus driver to and from an overnight~~  
 8 ~~location of a school bus when the location is more than 10 miles from the school. A district may approve~~  
 9 ~~additional bus or nonbus miles within its own district or approved service area but may not claim reimbursement~~  
 10 ~~for the mileage. Any vehicle, the operation of which is reimbursed for bus mileage under the rate provisions of~~  
 11 ~~this schedule, must be a school bus, as defined by this title, driven by a qualified driver on a bus route approved~~  
 12 ~~by the county transportation committee and the superintendent of public instruction.~~

13           ~~(2) (a) The rate for each bus mile traveled must be determined in accordance with the following~~  
 14 ~~schedule:~~

15           ~~—— (i) 95 cents for a school bus with a rated capacity of not more than 49 passenger seating positions;~~

16           ~~—— (ii) \$1.15 for a school bus with a rated capacity of 50 to 59 passenger seating positions;~~

17           ~~—— (iii) \$1.36 for a school bus with a rated capacity of 60 to 69 passenger seating positions;~~

18           ~~—— (iv) \$1.57 for a school bus with a rated capacity of 70 to 79 passenger seating positions; and~~

19           ~~—— (v) \$1.80 for a school bus with 80 or more passenger seating positions.~~

20           ~~—— (b) Nonbus mileage, as provided in subsection (1), must be reimbursed at a rate of 50 cents a mile.~~

21           (2) A school district must receive payments pursuant to 20-10-145 based on its current year ANB and  
 22 the statewide average price of regular diesel fuel per gallon as follows:

23           (a) If the statewide average price of regular diesel fuel is more than \$4 per gallon:

24           (i) \$257 per ANB for the first 100 ANB; plus

25           (ii) \$219 per ANB for each additional ANB over 100 up to 1,000; plus

26           (iii) \$193 per ANB for each additional ANB over 1,000 up to 3,000; plus

27           (iv) \$180 per ANB for each additional ANB over 3,000.

28           (b) If the statewide average price of regular diesel fuel is more than \$3 per gallon and not more than \$4  
 29 per gallon:

30           (i) \$200 per ANB for the first 100 ANB; plus

- 1           (ii) \$170 per ANB for each additional ANB over 100 up to 1,000; plus  
 2           (iii) \$150 per ANB for each additional ANB over 1,000 up to 3,000; plus  
 3           (iv) \$140 per ANB for each additional ANB over 3,000.  
 4           (c) If the statewide average price of regular diesel fuel is more than \$2 per gallon and not more than \$3  
 5 per gallon:  
 6           (i) \$143 per ANB for the first 100 ANB; plus  
 7           (ii) \$121 per ANB for each additional ANB over 100 up to 1,000; plus  
 8           (iii) \$107 per ANB for each additional ANB over 1,000 up to 3,000; plus  
 9           (iv) \$100 per ANB for each additional ANB over 3,000.  
 10          (d) If the statewide average price of regular diesel fuel is less than \$2 per gallon:  
 11          (i) \$86 per ANB for the first 100 ANB; plus  
 12          (ii) \$73 per ANB for each additional ANB over 100 up to 1,000; plus  
 13          (iii) \$64 per ANB for each additional ANB over 1,000 up to 3,000; plus  
 14          (iv) \$60 per ANB for each additional ANB over 3,000.  
 15          ~~(3) The rated capacity is the number of passenger seating positions of a school bus as determined under~~  
 16 ~~the policy adopted by the board of public education. If modification of a school bus to accommodate pupils with~~  
 17 ~~disabilities reduces the rated capacity of the bus, the reimbursement to a district for pupil transportation is based~~  
 18 ~~on the rated capacity of the bus prior to modification.~~  
 19          (3) The payments made pursuant to 20-10-145 must be calculated by the superintendent of public  
 20 instruction using the statewide average price of a gallon of regular diesel fuel as reported by the American  
 21 automobile association as follows:  
 22          (a) the average price on August 1 preceding the September 1 payment;  
 23          (b) the average price on March 1 for the March 31 payment; and  
 24          (c) the average price on June 1 for the June 30 payment.  
 25          (4) The number of pupils riding the school bus may not exceed the passenger seating positions of the  
 26 bus."

27  
 28           **Section 4.** Section 20-10-142, MCA, is amended to read:

29           **"20-10-142. Schedule of maximum reimbursement for individual transportation.** The following rates  
 30 for individual transportation constitute the maximum reimbursement to ~~districts~~ a parent or guardian for individual

1 transportation from ~~state and county sources of transportation revenue under the provisions of 20-10-145 and~~  
2 ~~20-10-146~~ a school district. These rates constitute the limitation of the budgeted amounts for individual  
3 transportation for the ensuing school fiscal year. The schedules provided in this section may not be altered by  
4 any authority other than the legislature. When the trustees contract with the parent or guardian of any eligible  
5 transportee to provide individual transportation for each day of school attendance, they shall reimburse the parent  
6 or guardian for actual miles transported on the basis of the following schedule:

7 (1) When a parent or guardian transports an eligible transportee or transportees from the residence of  
8 the parent or guardian to a school or to schools located within 3 miles of one another, the total reimbursement  
9 for each day of attendance is determined by multiplying the distance in miles between the residence and the  
10 school, or the most distant school if more than one, by 2, subtracting 6 miles from the product, and multiplying  
11 the difference by 35 cents, provided that:

12 (a) if two or more eligible transportees are transported by a parent or guardian to two or more schools  
13 located within 3 miles of one another and if the schools are operated by different school districts, the total amount  
14 of the reimbursement must be divided equally between the districts;

15 (b) if two or more eligible transportees are transported by a parent or guardian to two or more schools  
16 located more than 3 miles from one another, the parent or guardian must be separately reimbursed for  
17 transporting the eligible transportee or transportees to each school;

18 (c) if a parent transports two or more eligible transportees to a school and a bus stop that are located  
19 within 3 miles of one another, the total reimbursement must be determined under the provisions of this subsection  
20 (1) and must be divided equally between the district operating the school and the district operating the bus;

21 (d) if a parent transporting two or more eligible transportees to a school or bus stop must, because of  
22 varying arrival and departure times, make more than one round-trip journey to the bus stop or school, the total  
23 reimbursement allowed by this section is limited to one round trip a day for each scheduled arrival or departure  
24 time;

25 (e) notwithstanding subsection (1)(a), (1)(b), (1)(c), or (1)(d), a reimbursement may not be less than 35  
26 cents a day.

27 (2) When the parent or guardian transports an eligible transportee or transportees from the residence  
28 to a bus stop of a bus route approved by the trustees for the transportation of the transportee or transportees,  
29 the total reimbursement for each day of attendance is determined by multiplying the distance in miles between  
30 the residence and the bus stop by 2, subtracting 6 miles from the product, and multiplying the difference by 35

1 cents, provided that:

2 (a) if the eligible transportees attend schools in different districts but ride on one bus, the districts shall  
3 divide the total reimbursement equally; and

4 (b) if the parent or guardian is required to transport the eligible transportees to more than one bus, the  
5 parent or guardian must be separately reimbursed for transportation to each bus.

6 (3) When, because of excessive distances, impassable roads, or other special circumstances of  
7 isolation, the rates prescribed in subsection (1) or (2) would be an inadequate reimbursement for the  
8 transportation costs or would result in a physical hardship for the eligible transportee, a parent or guardian may  
9 request an increase in the reimbursement rate. A request for increased rates because of isolation must be made  
10 by the parent or guardian on the contract for individual transportation for the ensuing school fiscal year by  
11 indicating the special facts and circumstances that exist to justify the increase. Before an increased rate because  
12 of isolation may be paid to the requesting parent or guardian, the rate must be approved by the county  
13 transportation committee and the superintendent of public instruction after the trustees have indicated their  
14 approval or disapproval. Regardless of the action of the trustees and when approval is given by the committee  
15 and the superintendent of public instruction, the trustees shall pay the increased rate because of isolation. The  
16 increased rate is 1 1/2 times the rate prescribed in subsection (1).

17 (4) The ~~state and county transportation~~ school district reimbursement for an individual transportation  
18 contract may not exceed \$12.95 for each day of attendance for the first eligible transportee and \$8.40 for each  
19 day of attendance for each additional eligible transportee.

20 (5) When the isolated conditions of the household where an eligible transportee resides require an  
21 eligible transportee to live away from the household in order to attend school, the eligible transportee is eligible  
22 for the room and board reimbursement. Approval to receive the room and board reimbursement must be obtained  
23 in the same manner prescribed in subsection (3). The per diem rate for room and board is \$12.95 for one eligible  
24 transportee and \$8.40 for each additional eligible transportee of the same household.

25 (6) When the individual transportation provision is to be satisfied by supervised home study or supervised  
26 correspondence study, the reimbursement rate is the cost of the study, provided that the course of instruction is  
27 approved by the trustees and supervised by the district."

28

29 **Section 5.** Section 20-10-143, MCA, is amended to read:

30 **"20-10-143. Budgeting for transportation and transmittal of transportation contracts.** (1) The

1 trustees of a district furnishing transportation to pupils who are residents of the district shall provide a  
2 transportation fund budget that is adequate to finance the district's transportation contractual obligations and any  
3 other transportation expenditures necessary for the conduct of its transportation program. The transportation fund  
4 budget must include:

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

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

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

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

11 (e) any other amount necessary to finance the administration, operation, or maintenance of the  
12 transportation program of the district, as determined by the trustees.

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

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

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

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

26 (3) A budget amendment to the transportation fund budget may be adopted subject to the provisions of  
27 20-9-161 through 20-9-166.

28 (4) The trustees shall report the transportation fund budget on the regular budget form prescribed by the  
29 superintendent of public instruction in accordance with 20-9-103, and the adoption of the transportation fund  
30 budget must be completed in accordance with the school budgeting laws. When the adopted final budget is sent

1 to the county superintendent, the trustees shall also send copies of all completed transportation contracts for  
 2 school bus transportation to the county superintendent. The contracts must substantiate all contracted school bus  
 3 transportation services incorporated in the final budget."

4

5 **Section 6.** Section 20-10-144, MCA, is amended to read:

6 **"20-10-144. Computation of revenue and net tax levy requirements for district transportation fund**

7 **budget.** (1) Before the second Monday of August, the county superintendent shall compute the revenue  
 8 available to finance the transportation fund budget of each district. The county superintendent shall compute the  
 9 revenue for each district ~~on the following basis:~~

10 ~~—— (1) The "schedule amount" of the budget expenditures that is derived from the rate schedules in~~  
 11 ~~20-10-141 and 20-10-142 must be determined by adding the following amounts:~~

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

16 ~~—— (b) the total of all individual transportation per diem reimbursement rates for the district as determined~~  
 17 ~~from the contracts submitted by the district multiplied by the number of pupil instruction days scheduled for the~~  
 18 ~~ensuing school attendance year; plus based on the total of the payments made under 20-10-145 in the previous~~  
 19 ~~fiscal year.~~

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

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

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

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

- 1 (i) one-half is the budgeted state transportation reimbursement; and
- 2 (ii) one-half is the budgeted county transportation fund reimbursement and must be financed in the  
3 manner provided in 20-10-146.
- 4 (b) When the district has a sufficient amount of fund balance for reappropriation and other sources of  
5 district revenue, as determined in subsection (3), to reduce the total district obligation for financing to zero, any  
6 remaining amount of district revenue and fund balance reappropriated must be used to reduce the county  
7 financing obligation in subsection (2)(a)(ii) and, if the county financing obligations are reduced to zero, to reduce  
8 the state financial obligation in subsection (2)(a)(i).
- 9 (c) The county revenue requirement for a joint district, after the application of any district money under  
10 subsection (2)(b), must be prorated to each county incorporated by the joint district in the same proportion as the  
11 ANB of the joint district is distributed by pupil residence in each county.
- 12 (3) The total of the money available for the reduction of property tax on the district for the transportation  
13 fund must be determined by totaling:
- 14 (a) anticipated federal money received under the provisions of 20 U.S.C. 7701, et seq., or other  
15 anticipated federal money received in lieu of that federal act;
- 16 (b) anticipated payments from other districts for providing school bus transportation services for the  
17 district;
- 18 (c) anticipated payments from a parent or guardian for providing school bus transportation services for  
19 a child;
- 20 (d) anticipated or reappropriated interest to be earned by the investment of transportation fund cash in  
21 accordance with the provisions of 20-9-213(4);
- 22 (e) anticipated revenue from coal gross proceeds under 15-23-703;
- 23 (f) anticipated oil and natural gas production taxes;
- 24 (g) anticipated transportation payments for out-of-district pupils under the provisions of 20-5-320 through  
25 20-5-324;
- 26 (h) school district block grants distributed under 20-9-630;
- 27 (i) any other revenue anticipated by the trustees to be earned during the ensuing school fiscal year that  
28 may be used to finance the transportation fund; and
- 29 (j) any fund balance available for reappropriation as determined by subtracting the amount of the  
30 end-of-the-year fund balance earmarked as the transportation fund operating reserve for the ensuing school fiscal

1 year by the trustees from the end-of-the-year fund balance in the transportation fund. The operating reserve may  
 2 not be more than 20% of the final transportation fund budget for the ensuing school fiscal year and is for the  
 3 purpose of paying transportation fund warrants issued by the district under the final transportation fund budget.

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

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

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

9 (5) The transportation fund levy requirements determined in subsection (4) for each district must be  
 10 reported to the county commissioners on or before the later of the first Tuesday in September or within 30  
 11 calendar days after receiving certified taxable values by the county superintendent as the transportation fund levy  
 12 requirements for the district, and the levy must be made by the county commissioners in accordance with  
 13 20-9-142."

14

15 **Section 7.** Section 20-10-145, MCA, is amended to read:

16 **"20-10-145. State transportation reimbursement.** (1) A district providing school bus transportation or  
 17 individual transportation in accordance with this title, board of public education transportation policy, and  
 18 superintendent of public instruction transportation rules must receive a state reimbursement of its transportation  
 19 expenditures under the transportation reimbursement rate provisions of 20-10-141 ~~and 20-10-142~~. The state  
 20 transportation reimbursement is one-half of the reimbursement amounts established in 20-10-141 ~~and 20-10-142~~  
 21 or one-half of the district's transportation fund budget, whichever is smaller, ~~and must be computed on the basis~~  
 22 ~~of the number of days the transportation services were actually rendered, not to exceed 180 pupil-instruction~~  
 23 ~~days. In determining the amount of the state transportation reimbursement, an amount claimed by a district may~~  
 24 ~~not be considered for reimbursement unless the amount has been paid in the regular manner provided for the~~  
 25 ~~payment of other financial obligations of the district.~~

26 ~~(2) Requests for the state transportation reimbursement must be made by each district semiannually~~  
 27 ~~during the school fiscal year on the claim forms and procedure promulgated by the superintendent of public~~  
 28 ~~instruction. The claims for state transportation reimbursements must be routed by the district to the county~~  
 29 ~~superintendent, who after reviewing the claims shall send them to the superintendent of public instruction. The~~  
 30 ~~superintendent of public instruction shall establish the validity and accuracy of the claims for the state~~

1 transportation reimbursements by determining compliance with this title, board of public education transportation  
 2 policy, and the transportation rules of the superintendent of public instruction. After making any necessary  
 3 adjustments to the claims, the superintendent of public instruction shall order a disbursement from the state  
 4 money appropriated by the legislature of the state of Montana for the state transportation reimbursement.

5 ~~(3)~~(2) The superintendent of public instruction shall make the disbursement to each school district  
 6 according to the following schedule:

7 (a) By September 1 of each year, the superintendent of public instruction shall make a payment equal  
 8 to 50% of the state transportation reimbursement paid to the district in the previous school year calculated  
 9 pursuant to 20-10-141.

10 (b) By March 31 of each year, the superintendent of public instruction shall make a payment to the district  
 11 equal to the approved amount of state reimbursement for first semester transportation claims less the amount  
 12 distributed to the district under subsection ~~(3)~~(a) 25% of the state transportation reimbursement calculated  
 13 pursuant to 20-10-141.

14 (c) By June 30 of each year, the superintendent of public instruction shall make a payment to the district  
 15 to pay the balance of the approved amount due to the district for first and second semester transportation equal  
 16 to 25% of the state transportation reimbursement calculated pursuant to 20-10-141.

17 (d) Payments to the district made under this section may be rounded up to the nearest whole dollar.

18 ~~(4)~~(3) The payment of all the district's claims within one county must be made to the county treasurer  
 19 of the county, and the county superintendent shall apportion the payment in accordance with the apportionment  
 20 order supplied by the superintendent of public instruction.

21 ~~(5)~~(4) After adopting a budget amendment for the transportation fund in accordance with 20-9-161  
 22 through 20-9-166, the district shall send to the superintendent of public instruction a copy of each new or  
 23 amended individual transportation contract and each new or amended bus route form to which the budget  
 24 amendment applies. State reimbursement for the additional obligations must be paid as provided in subsection  
 25 (1)."

26

27 NEW SECTION. Section 8. Effective date. [This act] is effective July 1, 2016.

28

29 NEW SECTION. Section 9. Applicability. [This act] applies to school fiscal year 2017 and each  
 30 succeeding school fiscal year.

31

- END -