

1 SENATE BILL NO. 25

2 INTRODUCED BY G. JERGESON

3 BY REQUEST OF THE OFFICE OF PUBLIC INSTRUCTION

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE MILEAGE RATES FOR REIMBURSEMENT OF
6 SCHOOL TRANSPORTATION COSTS; AMENDING SECTIONS 20-5-323, 20-10-141, AND 20-10-142, MCA;
7 AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

8

9 WHEREAS, school district budgets for pupil transportation increased by 46% from \$59.3 million in school
10 fiscal year 2004 to \$86.8 million in school fiscal year 2012 due primarily to increases in fuel prices over the past
11 8 years; and

12 WHEREAS, 2% of the increased transportation costs from 2004 to 2012 were paid from state sources
13 and 98% were paid from county and local sources; and

14 WHEREAS, \$13.36 million of oil and natural gas production taxes was retained by the state and
15 deposited in the state guarantee account in fiscal year 2012 as a result of the limitation on the distribution of oil
16 and natural gas production taxes to school districts imposed by section 20-9-310(1), MCA; and

17 WHEREAS, money deposited in the state guarantee account reduces the amount of state general fund
18 support for schools; and

19 WHEREAS, the State of Montana can expect to continue to deposit at least \$9 million annually to the
20 state guarantee account on an ongoing basis under the provisions of section 20-9-310, MCA; and

21 WHEREAS, the Legislature finds that it is appropriate to increase the state and county shares of pupil
22 transportation funding and reduce the property tax burden on local property taxpayers.

23

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

25

26 **Section 1.** Section 20-5-323, MCA, is amended to read:

27 **"20-5-323. Tuition and transportation rates.** (1) Except as provided in subsections (2) through (5),
28 whenever a child has approval to attend a school outside of the child's district of residence under the provisions
29 of 20-5-320 or 20-5-321, the rate of tuition charged for a Montana resident student may not exceed 20% of the
30 per-ANB maximum rate established in 20-9-306 for the year of attendance.

1 (2) The tuition for a child with a disability must be determined under rules adopted by the superintendent
2 of public instruction for the calculation of tuition for special education pupils.

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

6 (a) the district of attendance and the district, person, or entity responsible for the tuition payments shall
7 approve an agreement with the district of attendance for the tuition cost;

8 (b) for a Montana resident student, 80% of the maximum per-ANB rate established in 20-9-306, received
9 in the year for which the tuition charges are calculated, must be subtracted from the per-student program costs
10 for a Montana resident student; and

11 (c) the maximum tuition rate paid to a district under this section may not exceed \$2,500 per ANB.

12 (4) When a child attends a public school of another state or province, the amount of daily tuition may not
13 be greater than the average annual cost for each student in the child's district of residence. This calculation for
14 tuition purposes is determined by totaling all of the expenditures for all of the district budgeted funds for the
15 preceding school fiscal year and dividing that amount by the October 1 enrollment in the preceding school fiscal
16 year. For the purposes of this subsection, the following do not apply:

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

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

19 (c) an order issued under Title 40, chapter 4, part 2; or

20 (d) out-of-state placement by a state agency.

21 (5) When a child is placed by a state agency in an out-of-state residential facility, the state agency
22 making the placement is responsible for the education costs resulting from the placement.

23 (6) The amount, if any, charged for transportation may not exceed the lesser of the average
24 transportation cost for each student in the child's district of residence or ~~35~~ 55 cents a mile. The average
25 expenditures for the district transportation fund for the preceding school fiscal year must be calculated by dividing
26 the transportation fund expenditures by the October 1 enrollment for the preceding fiscal year."
27

28 **Section 2.** Section 20-10-141, MCA, is amended to read:

29 **"20-10-141. Schedule of maximum reimbursement by mileage rates.** (1) The mileage rates in
30 subsection (2) for school transportation constitute the maximum reimbursement to districts for school

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

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

- 13 (i) ~~95 cents~~ \$1.65 for a school bus with a rated capacity of not more than 49 passenger seating positions;
 14 (ii) ~~\$1.15~~ \$2.00 for a school bus with a rated capacity of 50 to 59 passenger seating positions;
 15 (iii) ~~\$1.36~~ \$2.35 for a school bus with a rated capacity of 60 to 69 passenger seating positions;
 16 (iv) ~~\$1.57~~ \$2.70 for a school bus with a rated capacity of 70 to 79 passenger seating positions; and
 17 (v) ~~\$1.80~~ \$3.10 for a school bus with 80 or more passenger seating positions.

18 (b) Nonbus mileage, as provided in subsection (1), must be reimbursed at a rate of ~~50~~ 89 cents a mile.

19 (3) The rated capacity is the number of passenger seating positions of a school bus as determined under
 20 the policy adopted by the board of public education. If modification of a school bus to accommodate pupils with
 21 disabilities reduces the rated capacity of the bus, the reimbursement to a district for pupil transportation is based
 22 on the rated capacity of the bus prior to modification.

23 (4) The number of pupils riding the school bus may not exceed the passenger seating positions of the
 24 bus."

25

26 **Section 3.** Section 20-10-142, MCA, is amended to read:

27 **"20-10-142. Schedule of maximum reimbursement for individual transportation.** The following rates
 28 for individual transportation constitute the maximum reimbursement to districts for individual transportation from
 29 state and county sources of transportation revenue under the provisions of 20-10-145 and 20-10-146. These rates
 30 constitute the limitation of the budgeted amounts for individual transportation for the ensuing school fiscal year.

1 The schedules provided in this section may not be altered by any authority other than the legislature. When the
2 trustees contract with the parent or guardian of any eligible transportee to provide individual transportation for
3 each day of school attendance, they shall reimburse the parent or guardian for actual miles transported on the
4 basis of the following schedule:

5 (1) When a parent or guardian transports an eligible transportee or transportees from the residence of
6 the parent or guardian to a school or to schools located within 3 miles of one another, the total reimbursement
7 for each day of attendance is determined by multiplying the distance in miles between the residence and the
8 school, or the most distant school if more than one, by 2, subtracting 6 miles from the product, and multiplying
9 the difference by ~~35~~ 55 cents, provided that:

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

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

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

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

23 (e) notwithstanding subsection (1)(a), (1)(b), (1)(c), or (1)(d), a reimbursement may not be less than ~~35~~
24 55 cents a day.

25 (2) When the parent or guardian transports an eligible transportee or transportees from the residence
26 to a bus stop of a bus route approved by the trustees for the transportation of the transportee or transportees,
27 the total reimbursement for each day of attendance is determined by multiplying the distance in miles between
28 the residence and the bus stop by 2, subtracting 6 miles from the product, and multiplying the difference by ~~35~~
29 55 cents, provided that:

30 (a) if the eligible transportees attend schools in different districts but ride on one bus, the districts shall

1 divide the total reimbursement equally; and

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

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

15 (4) The state and county transportation reimbursement for an individual transportation contract may not
16 exceed ~~\$12.95~~ \$22.25 for each day of attendance for the first eligible transportee and ~~\$8.40~~ \$14.45 for each day
17 of attendance for each additional eligible transportee.

18 (5) When the isolated conditions of the household where an eligible transportee resides require an
19 eligible transportee to live away from the household in order to attend school, the eligible transportee is eligible
20 for the room and board reimbursement. Approval to receive the room and board reimbursement must be obtained
21 in the same manner prescribed in subsection (3). The per diem rate for room and board is ~~\$12.95~~ \$22.25 for one
22 eligible transportee and ~~\$8.40~~ \$14.45 for each additional eligible transportee of the same household.

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

26

27 **NEW SECTION. Section 4. Effective date.** [This act] is effective July 1, 2013.

28

29 **NEW SECTION. Section 5. Applicability.** [This act] applies to school budgets for school years
30 beginning on or after July 1, 2013.

31

- END -