

BUDGETED FUNDS (excludes General Fund)
SCHOOL FUNDING INTERIM COMMISSION – JANUARY 11, 2016



MT Association of School Business Officials

Purpose	Funding Sources	Allowable Expenditures	Other Considerations
10 TRANSPORTATION			
<p>20-10-101, MCA To finance the operation of a program to transport students to and from home and school.</p>	<p>X10-1110 District Tax Levy (permissive) X10-14XX Transportation Fees *X10-2220 County Reimbursement *X10-3210 State Reimbursement X10-3444 Transportation Block Grant X10-3445 Combined Block Grant X10-3460 Montana Oil & Gas Tax</p> <p>*Reimbursements based on:</p> <ul style="list-style-type: none"> • Eligible transportee (a student who resides at least 3 miles from the nearest school) • Bus route miles and rated capacity of the bus • Non-bus miles • Individual transportation contracts <p>OPI pays state reimbursement on: Sept. 1 – 50% of previous year’s state reimbursement By March 31 – 1st semester reimbursement less amount paid on Sept, 1 By June 30 – Remaining owed for 1st and 2nd semesters</p> <p>County pays county reimbursement after receiving the state payment report, usually in March/April and June.</p>	<p>X10-100-2700-XXX Regular education X10-280-2700-XXX Special education</p> <ul style="list-style-type: none"> • Salaries/benefits of bus drivers, aides, % of administrative salaries • Purchase, replacement, repair and maintenance of yellow school bus • Individual transportation contracts • Bus storage facilities • Bus service contracts • Crossing guards <p>No field trip, activity or athletic transportation expenditures are allowed from this fund.</p>	<p>Reserve limit = 20% of ensuing year’s budget Reappropriated amounts are applied first to reduce the local tax levy, then county reimbursement, then state reimbursement.</p> <p>Use OPI Transportation Budgeting Spreadsheet to determine “on-schedule costs” (estimated reimbursement for bus routes and individual contracts and contingency) http://opi.mt.gov/pdf/schoolfinance/Budget/TransBudgetWrkSht.xls</p> <p>Budget steps:</p> <ol style="list-style-type: none"> 1. Determine expenditure budget. 2. Estimate on-schedule costs. 3. Estimate non-levy revenue (reappropriation, interest, block grant(s), etc. 4. Determine local permissive tax levy. <p>Note: The county transportation reimbursement is funded by:</p> <ul style="list-style-type: none"> • county oil and gas taxes • county coal gross proceeds taxes • county school transportation fund block grant (20-9-632, MCA) • federal forest reserve funds • county investment earnings • Secure Rural Schools funds • cash available for reappropriation • countywide levy (permissive)



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11 BUS DEPRECIATION RESERVE									
<p>20-10-147, MCA To finance the replacement of buses and two-way radio equipment owned by the district.</p> <p>Effective 7/1/2015 (HB31) allows replacement of “communication systems and safety devices”.</p>	<p>X11-1110 District Tax Levy (permissive) X11-3445 Combined Block Grant X11-3460 Montana Oil & Gas Tax</p> <p>“Depreciation” describes the process by which funds are raised. Funds are accumulated over the useful life of each asset (bus or radio) in order to have enough money available to replace it when it is taken out of service.</p>	<p>X11-100-2700-660/730 Regular education X11-280-2700-660/730 Special education Object 660 Equipment costing less than the capitalization policy. Object 730 Equipment costing more than the capitalization policy.</p> <ul style="list-style-type: none"> • Convert, remodel or rebuild buses • Purchase additional yellow route bus • Replace route or activity buses • Replace 2-way radios <p>No expenditures for ordinary repairs and maintenance are allowed from this fund. Effective 7/1/2015 (HB31) allows replacement of GPS, cameras and 2-way radios.</p>	<p>Reserve limit = none Reappropriate all fund balance to support the ensuing year’s budget.</p> <p>Bus “Depreciation” local levy is limited to 20% of the cost of each asset (bus or radio), not to exceed 150% over time.</p> <table border="0"> <tr> <td>Example: Bus cost</td> <td>\$ 100,000</td> </tr> <tr> <td>Annual limit (20%)</td> <td>\$ 20,000</td> </tr> <tr> <td>Maximum depreciation</td> <td>\$ 150,000</td> </tr> </table> <p>Expenditure budget = fund balance reappropriated (all) + tax levy + non-levy revenue</p>	Example: Bus cost	\$ 100,000	Annual limit (20%)	\$ 20,000	Maximum depreciation	\$ 150,000
Example: Bus cost	\$ 100,000								
Annual limit (20%)	\$ 20,000								
Maximum depreciation	\$ 150,000								
13 TUITION									
<p>20-5-323, MCA 20-5-324, MCA To finance tuition costs for elementary and high school students who attend school outside their district of residence, and for the actual cost of services for an in-district student with an IEP (subject to limitations).</p>	<p>X13-1110 District Tax Levy (permissive) X13-3445 Combined Block Grant X13-3460 Montana Oil & Gas Tax</p> <p>Use OPI’s Permissive Levy Instructions & Calculator http://opi.mt.gov/pdf/SchoolFinance/Tuition/SB191PermissiveLevyInstruCalcV2.xlsx to determine how much may be levied in this fund for the actual cost of services for in-district special education students.</p>	<p>X13-100-1000-560 Regular educ. tuition X13-280-1000-560 Special educ. tuition X13-280-1000-320 In-state day treatment/private program X13-280-XXXX-XXX Actual costs of services for an in-district student with an IEP *X13-100-1000-563 Detention center charges</p> <p>*41-5-1807, MCA: For students detained in a youth detention center for more than 9 consecutive days, the county where the detention center is located may charge the student’s district of residence \$20/day. Invoices are sent by June 30. District must pay by July 15.</p>	<p>Reserve limit = none Reappropriate all fund balance to support the ensuing year’s budget.</p> <p>Use OPI’s Summary of Montana’s Tuition Laws http://opi.mt.gov/pdf/SchoolFinance/Tuition/11TuitionLawSummary.pdf</p> <p>Use OPI’s Student Attendance Agreement Forms http://opi.mt.gov/pdf/schoolfinance/forms/FP14.pdf http://opi.mt.gov/pdf/schoolfinance/forms/FP14A.pdf</p>						



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14 RETIREMENT			
<p>20-9-501, MCA To finance employer contributions for TRS, PERS, Social security, Medicare and unemployment insurance for employees paid from state or local funds.</p>	<p>*X14-2240 County Retirement Distribution X14-3445 Combined Block Grant</p> <p>*A.R.M. 10-10-309 The county superintendent distributes the cash balance in the countywide retirement fund to school districts and special education cooperatives on a monthly basis in proportion to the county requirement of each district or cooperative to the total requirement.</p>	<p>X14-XXX-XXXX-210 Social security and Medicare X14-XXX-XXXX-220 TRS X14-XXX-XXXX-230 PERS X14-XXX-XXXX-240 Unemployment ins.</p> <ul style="list-style-type: none"> Retirement costs for employees paid from federal funds (except Impact Aid and School Foods) must be paid from the federal program. No early retirement allowance or payments to employees are allowed expenditures from this fund. 	<p>Reserve limit = 20% of ensuing year's budget</p> <p>District non-levy revenue and FB reappropriated reduces the county retirement distribution requirement.</p> <p>*The county retirement distribution is funded by:</p> <ul style="list-style-type: none"> county oil and gas taxes county coal gross proceeds taxes county school retirement fund block grant (15-1-123, MCA) federal forest reserve funds county investment earnings Secure Rural Schools funds cash available for reappropriation countywide levy* (permissive) <p>*countywide levy may be supported by Guaranteed Tax Base Aid if the county retirement mill value per ANB is less than the statewide mill value per ANB.</p>
17 ADULT EDUCATION			
<p>20-7-705, MCA To finance the instruction of persons 16 years of age or older who are not regularly enrolled, full-time pupils for the purposes of ANB computation.</p>	<p>X17-1110 District Tax Levy (permissive) X17-1340 Adult Education Fees X17-3445 Combined Block Grant X17-3460 Montana Oil & Gas Tax</p>	<p>X17-6XX-1000-XXX</p> <ul style="list-style-type: none"> Salaries for instructors Supplies necessary for instruction in the class, but not for projects taken home by the students 	<p>Reserve limit = 35% of ensuing year's budget</p>



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28 TECHNOLOGY			
20-9-533, MCA To finance technology acquisition.	<p>**X28-1110 District Tax Levy (voted) – see Other Considerations</p> <p>X28-3281 State Technology Aid OPI allocates the state technology aid appropriation (\$1 million) to school districts based on General Fund BASE budgets and distributes the payment in August.</p> <p>X28-3445 Combined Block Grant</p> <p>X28-3460 Montana Oil & Gas Tax</p>	<p>X28-XXX-XXXX-XXX</p> <ul style="list-style-type: none"> • Purchase, rental, repair and maintenance of technological equipment, including computers and computer network access • Associated technical training for school district personnel • Cloud computing services, including any subscription or any license-based or pay-per-use service that is accessed over the internet or other remote network to meet the district’s information technology and other needs <p>Employer contributions for Social security, Medicare, TRS, PERS, and unemployment insurance may not be paid from this fund.</p>	<p>Reserves limit = none Reappropriate all fund balance to support the ensuing year’s budget.</p> <p>**Levies approved <i>prior to July 1, 2013</i></p> <ul style="list-style-type: none"> • Can be permanent or durational • Annual levy cannot exceed 20% of the original cost of equipment owned by the district • Amount levied over time cannot exceed 150% of the original cost of the equipment • \$\$ can be used for equipment, network access and training of school personnel <p>**Levies approved <i>after July 1, 2013</i></p> <ul style="list-style-type: none"> • May not exceed 10 years • Can be based on all allowable costs listed in the statute (equipment, cloud storage, training, etc.) • Districts with an existing perpetual levy can <ul style="list-style-type: none"> ○ Ask for an increase in the amount of the levy to cover cloud computing and training, and/or ○ Seek relief from tracking depreciation under existing levy ○ Can propose a duration for each, not to exceed 10 years



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29 FLEXIBILITY			
<p>20-9-543, MCA To account for receipt of the state Flexibility Payment (if any) and other revenues and expenditures.</p>	<p>X29-1110 Local Tax Levy (voted) X29-3445 Combined Block Grant X29-3460 Montana Oil & Gas Tax X29-3900 Other State Revenue</p> <p>Tax levy is based on state flexibility payment. No payment since 2003. No state payment = no levy.</p>	<p>X29-XXX-XXXX-XXX</p> <ul style="list-style-type: none"> • Technology • Facility/equipment expansion • Student assessment and evaluation • Curriculum development • Training for classroom staff to support delivery of education programs • Classroom teacher housing • Retention of certified staff • Increased energy costs caused by increases since 2001 	<p>Reserve limit = none. Reappropriate all fund balance to support the ensuing year's budget.</p> <p>Beginning July 1, 2020 fund balance limit is 150% of the Maximum General Fund budget. Excess must be remitted to the state.</p>
50 DEBT SERVICE			
<p>20-9-438, MCA To finance the payment of the principal, interest and associated fees on outstanding bonds and special improvement district (SID) assessments</p>	<p>X50-1110 Local Tax Levy (voted) X50-1510 Interest Earnings X50-3445 Combined Block Grant X50-3460 Montana Oil & Gas Tax X50-3120 State Facilities Reimbursement and Advance</p> <ul style="list-style-type: none"> • Provides state subsidies to eligible schools to repay bonds • District's mill value per ANB must be less than the corresponding facility guaranteed mill value per ANB • State advance payment is paid on in the first year of the bond 	<p>X50-100-5100-830 Special Assessments X50-100-5100-840 Principal on Debt X50-100-5100-850 Interest on Debt X50-100-5100-860 Agent Fees</p> <p>Use function 6300 for refunding bonds</p>	<p>Reserve limit – valid expenditures for July 1 through November 1 of the ensuing fiscal year.</p> <p>Reappropriate all fund balance to support the ensuing year's budget.</p> <p>Use 9100 code to estimate state facilities reimbursement and advance on the budget form.</p>



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61 BUILDING RESERVE			
<p>20-9-502, MCA To finance voter approved building or construction projects, or transitional costs of opening/closing schools, etc., funded with district mill levies</p>	<p>X61-1110 Local Tax Levy (voted)</p> <ul style="list-style-type: none"> Levy must be voter approved. Trustees must adopt a resolution addressing the duration of time over which the total amount of money will be raised, in equal, annual installments Limited to a maximum of 20 years for building-type reserve Limited to a maximum of 6 years for transitional-type reserve <p>X61-1510 Interest Earnings</p> <p>X61-3445 Combined Block Grant</p> <p>X61-3460 Montana Oil & Gas Tax</p> <p>X61-5300 Transfer from other Funds</p> <ul style="list-style-type: none"> SB348 School Safety (2013 session) allows transfers from any budgeted or non-budgeted fund (except Retirement and Debt Service) to Building Reserve SB213 (2015 session) requires a district to certify to OPI that it has an emergency operations plan in place before the district may transfer funds. 	<p>X61-100-2600-XXX-PRC X61-100-4000-XXX-PRC Funds from a voted levy must be spent on the purposes stated on the ballot.</p> <ul style="list-style-type: none"> To raise money for the future construction, equipping, enlarging of school buildings or for purchasing land needed for school purposes. To raise money for transitional costs of opening/closing schools, replacing school buildings or consolidating/annexing. <p><u>FY2013, FY2014, FY2015 only*</u></p> <p>Funds transferred from other funds for SB348 School Safety purposes must be spent on:</p> <ul style="list-style-type: none"> Planning for improvements to school safety Installing or updating locking mechanisms and ingress and egress systems at public school access points Installing or updating bullet-resistant windows and barriers Installing or updating emergency response systems <p>Unspent funds remaining as of June 30, 2015 must be transferred back to the originating fund.</p> <p>*Under SB213 (2015 session), sunset extends to June 30, 2019.</p>	<p>Reserve limit = none. Reappropriate all fund balance to support the ensuing year's budget.</p> <p>Use a project reporter code (PRC) to separately track multiple purposes, such as an approved levy and school safety project funds.</p>