

BUDGETED FUNDS (excludes General Fund)

March 2020



MT Association of School Business Officials

Purpose	Funding Sources	Allowable Expenditures	Other Considerations
10 TRANSPORTATION			
20-10-101, MCA 20-10-143, MCA To finance the operation of a program to transport students to and from home and school.	X10-1110 District Tax Levy (permissive) X10-14XX Transportation Fees X10-1510 Interest Earnings *X10-2220 County Reimbursement *X10-3210 State Reimbursement X10-3460 Montana Oil & Gas Tax *Reimbursements based on: - 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 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 County pays county reimbursement after receiving the state payment report, usually in March/April and June.	X10-100-2700-XXX Regular education X10-280-2700-XXX Special education - 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 No field trip, activity or athletic transportation expenditures are allowed from this fund.	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. Use OPI Transportation Budgeting Spreadsheet to determine "on-schedule costs" (estimated reimbursement for bus routes and individual contracts and contingency) Budget steps: - Determine expenditure budget. - Estimate on-schedule costs. - Estimate non-levy revenue (reappropriation, interest, etc. - Determine local permissive tax levy. Note: The county transportation reimbursement is funded by: - county oil and gas taxes - county coal gross proceeds taxes - 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			
20-10-147, MCA To finance the replacement of buses, two-way radio equipment, communication systems and safety devices owned by the district.	X11-1110 District Tax Levy (permissive) X11-1510 Interest Earnings X11-3460 Montana Oil & Gas Tax "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.	X11-100-2700-660/730 Regular education X11-280-2700-660/730 Special education Object 660 Equipment costing less than the district's capitalization policy. Object 730 Equipment costing more than the district's capitalization policy. • Convert, remodel or rebuild buses • Purchase additional yellow route bus • Replace route or activity buses • Replace 2-way radios, GPS and cameras No expenditures for ordinary repairs and maintenance are allowed from this fund.	Reserve limit = none Reappropriate all fund balance to support the ensuing year's budget. The annual local levy is limited to 20% of the cost of each asset (bus or radio), not to exceed 150% over time. Example: Bus cost \$ 100,000 Annual limit (20%) \$ 20,000 Maximum depreciation \$ 150,000 Expenditure budget = fund balance reappropriated (all) + tax levy + non-levy revenue
13 TUITION			
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).	X13-1110 District Tax Levy (permissive) X13-3460 Montana Oil & Gas Tax Use OPI's Permissive Levy Instructions & Calculator to determine how much may be levied in this fund for the actual cost of services for in-district special education students.	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 *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.	Reserve limit = none Reappropriate all fund balance to support the ensuing year's budget. Use the following OPI resources: Tuition Handbook Tuition Accounting Guidance Student Attendance Agreement Forms FP-14 Student Attendance Agreement FP14-A Special Tuition Rates

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14 RETIREMENT			
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.	*X14-2240 County Retirement Distribution *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.	X14-XXX-XXXX-210 Social security and Medicare X14-XXX-XXXX-220 TRS X14-XXX-XXXX-230 PERS X14-XXX-XXXX-240 Unemployment ins. - 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.	Reserve limit = 20% of ensuing year's budget District non-levy revenue and FB reappropriated reduces the county retirement distribution requirement. *The county retirement distribution is funded by: - county oil and gas taxes - county coal gross proceeds taxes - federal forest reserve funds - county investment earnings - Secure Rural Schools funds - cash available for reappropriation - countywide levy (permissive) *** ***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.
17 ADULT EDUCATION			
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. *20-7-1506, MCA Advanced Opportunity Program expenditures	X17-1110 District Tax Levy (permissive) X17-1340 Adult Education Fees X17-1510 Interest Earnings X17-3460 Montana Oil & Gas Tax *X17-1110 District Tax Levy District can match up to 25% of Advanced Opportunity Aid, if qualified (See Fund 29 Flexibility Fund)	X17-6XX-1000-XXX - Salaries for instructors - Supplies necessary for instruction in the class, but not for projects taken home by the students *X17-377-XXXX-XXX (OPI Guidance)	Reserve limit = 35% of ensuing year's budget *Advanced Opportunity Program match Spend on any qualifying pupil (enrolled in grades 6-12) - At least 60% to address student or family out-of-pocket costs for the advanced opportunity: - dual credit tuition - exam fees (AP, ACT, SAT, CLEP, etc.) - fees for work-based learning or for obtaining any industry-recognized credential or license - Remaining may be spent for any K-12 CTE course offered by the district

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28 TECHNOLOGY			
20-9-533, MCA To finance technology acquisition.	*X28-1110 District Tax Levy (voted) – see Other Considerations X28-1510 Interest Earnings 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. X28-3460 Montana Oil & Gas Tax	X28-XXX-XXXX-XXX - 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 Employer contributions for Social security, Medicare, TRS, PERS, and unemployment insurance may not be paid from this fund.	Reserves limit = none Reappropriate all fund balance to support the ensuing year's budget. *Levies approved <i>prior to July 1, 2013</i> - 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 *Levies approved <i>after July 1, 2013</i> - 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 - 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			
*20-9-543, MCA To account for receipt of the state Flexibility Payment (if any) and other revenues and expenditures. **20-7-1602, MCA Incentive for Creation of Transformational Learning (TL) programs, providing certain conditions are met (expires 6/30/2027). ***20-7-1506, MCA Incentives for Creation of Advanced Opportunity Programs, providing certain conditions are met	*X29-1110 Local Tax Levy (voted) *X29-3282 State Flex Fund Payment *Voted levy is based on state flexibility payment. No payment since 2003. No state payment = no levy. X29-1510 Interest Earnings X29-3460 Montana Oil & Gas Tax **X29-1110 Local Tax Levy (permissive) – TL match **X29-3760 Transformational Learning Aid Payment **X29-5304 Transfers from Other Funds ***X29-3770 Advanced Opportunity Aid (AOA) ***X29-5304 Transfers from Other Funds Advanced Opportunity Aid: - Available FY2021 and beyond - OPI pays by October 1 - Elementary district: 3% of prior year QEC payment - High school district: 20% of prior year QEC payment - K-12 district: 8.5% of prior year QEC payment	*X29-XXX-XXXX-XXX Allowed in 20-9-543, MCA Technology; Facility/equipment expansion; Student assessment and evaluation; Curriculum development; Supplies and 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; Innovative education programs defined in 20-9-902, MCA **X29-376-XXXX-XXX (OPI Guidance) Transformational Learning Program Allowable expenditures: Follow the district's approved TL plan. ***X29-377-XXXX-XXX (OPI Guidance) - Spend on any qualifying pupil (enrolled in grades 6-12) - At least 60% to address student or family out-of-pocket costs for the advanced opportunity: - dual credit tuition - exam fees (AP, ACT, SAT, CLEP, etc.) - fees for work-based learning or for obtaining any industry-recognized credential or license - Remaining may be spent for any K-12 CTE course offered by the district	Reserve limit = none. Reappropriate all fund balance to support the ensuing year's budget. Beginning July 1, 2020 fund balance limit is 150% of the Maximum General Fund budget. Excess must be remitted to the state. **HB351 Encourage transformational learning A school district defined in 20-6-101, MCA (public school district) - Submits a timely application to OPI - Board of Public Education "qualifies" the district - District is then eligible for a 4-consecutive year provision (only once in an 8-year period) of: - the State Transformational Learning Aid Payment (50% of PY quality educator payment X FTE quality educators assigned to the program), and - may permissively levy up to 100% of the State TL Aid in the Flexibility Fund and must include the levy on the Notice of Intent to Increase Non-Voted Levies (20-9-116, MCA), and may transfer state and local revenue from any budgeted or nonbudgeted fund (not Debt service or Retirement) to support the TL program ***HB387 Montana Advanced Opportunity Act - District has an "advanced opportunity plan" - District submits application to OPI - Board of Public Education approves the plan - OPI pays "advanced opportunity aid" - District can match up to 25% of Advanced Opportunity Aid using Adult Education Fund levy (see Adult Education Fund (17))



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50 DEBT SERVICE			
20-9-438, MCA To finance the payment of the principal, interest and associated fees on outstanding bonds and special improvement district (SID) assessments	X50-1110 Local Tax Levy (voted) X50-1510 Interest Earnings X50-3460 Montana Oil & Gas Tax X50-3120 State Debt Service Assistance (formerly Facilities Reimbursement and Advance)**	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 Use function 6300 for refunding bonds	Reserve limit – valid expenditures for July 1 through November 1 of the ensuing fiscal year. Reappropriate all fund balance to support the ensuing year's budget. Use 9100 code to estimate state facilities reimbursement and advance on the budget form. **State Debt Service Assistance (formerly Facilities Reimbursement and Advance) 20-9-371, MCA - 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

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61 BUILDING RESERVE			
20-9-502, MCA Sub-funds must be established for the following: 1) voter approved building or construction projects, funded with district mill levies 2) permissive (non-voted) levies raised to address identified major maintenance projects 3) voter approved transitional costs of opening/closing school funded with district mill levies 4) transfers from other funds for school and student safety and security and/or voted levy for school and student safety and security See OPI Building Reserve Fund Guidance Document	X61-1110 Local Tax Levy* X61-1510 Interest Earnings X61-3283 School Major Maint Aid X61-3460 Montana Oil & Gas Tax X61-5300 Transfers from Other Funds X61-5301 School Safety Security Transfers *** *Voter approved levies: - 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 levy - Limited to a maximum of 6 years for transitional-type reserve - new in FY2020, voted levy for school and student safety and security; unlimited in amount and duration. *Permissive levy - School major maintenance amount (SMMA) = \$15,000 + (prior year budget ANB X \$100). For a K-12 district, the SMMA = \$30,000 + (prior year budget ANB X \$100) - Using prior year taxable value, a district may levy up to 10 mills to fund the SMMA (20 mills for a K-12 district) - Local effort revenues for the SMMA may consist of permissive levies, deposits, and transfers from lawfully available revenue sources.	1) Voter-approved levy for purpose stated on the ballot (future construction, equipping, enlarging of school buildings or for purchasing land needed for school purposes). - X61-100-2600-XXX - X61-100-4000-XXX 2) Permissive levy for major maintenance projects under 20-9-525(2), MCA or school and student safety and security under 20-9-236(1), MCA - X61-100-2600-XXX - X61-100-4000-XXX - X61-190-XXXX-XXX 3) Voter-approved levy for transitional costs must be spent on the purposes stated on the ballot (transitional costs of opening/closing schools, replacing school buildings or consolidating/ annexing). - X61-100-XXXX-XXX 4) Safety transfers under 20-9-236(2), MCA, must be spent within two fiscal years after the funds are transferred. Any remaining money must be transferred back to the originating fund from which the revenue was transferred. Or voted levy for school and student safety and security expenditures under 20-9-502(5)(b) and as stated on the ballot. - X61-190-XXXX-XXX	Reserve limit = none. Reappropriate all fund balance to support the ensuing year's budget. The following Project Reporter Codes (PRC) are used for each sub-fund (revenues/transfers in and expenditures): 614 – Transition Levy subfund 612 – Voted Levy subfund 613 – Permissive Levy subfund 611 - Safety Transfers subfund (exception: use OPI-assigned PRC if a budget amendment was needed for authority to spend the money transferred from other funds) ***20-9-236, MCA allows transfers of state or local revenue from any budgeted or nonbudgeted fund (but not Debt Service or Retirement). See OPI's School Safety Transfers Guidance for more information.

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