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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. **2918**

03/19/2012 Authored by Anzele and McFarlane

The bill was read for the first time and referred to the Committee on Education Finance

1.1 A bill for an act  
1.2 relating to education finance; modifying certain transportation aid provisions;  
1.3 amending Minnesota Statutes 2011 Supplement, section 123B.92, subdivision 5.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2011 Supplement, section 123B.92, subdivision 5, is  
1.6 amended to read:

1.7 Subd. 5. **District reports.** (a) Each district must report data to the department as  
1.8 required by the department to account for transportation expenditures.

1.9 (b) Salaries and fringe benefits of district employees whose primary duties are  
1.10 other than transportation, including central office administrators and staff, building  
1.11 administrators and staff, teachers, social workers, school nurses, and instructional aides,  
1.12 must not be included in a district's transportation expenditures, except that a district may  
1.13 include salaries and benefits according to paragraph (c) for (1) an employee designated  
1.14 as the district transportation director, (2) an employee providing direct support to the  
1.15 transportation director, or (3) an employee providing direct transportation services such as  
1.16 a bus driver or bus aide.

1.17 (c) Salaries and fringe benefits of the district employees listed in paragraph (b),  
1.18 clauses (1), (2), and (3), who work part time in transportation and part time in other areas  
1.19 must not be included in a district's transportation expenditures unless the district maintains  
1.20 documentation of the employee's time spent on pupil transportation matters in the form  
1.21 and manner prescribed by the department.

1.22 (d) Pupil transportation expenditures, excluding expenditures for capital outlay,  
1.23 leased buses, student board and lodging, crossing guards, and aides on buses, must be  
1.24 allocated among transportation categories based on cost-per-mile or cost-per-student.

2.1 cost-per-hour, or cost-per-route, regardless of whether the transportation services are  
2.2 provided on district-owned or contractor-owned school buses. Expenditures for school  
2.3 bus driver salaries and fringe benefits may either be directly charged to the appropriate  
2.4 transportation category or may be allocated among transportation categories based  
2.5 on cost-per-mile ~~or~~, cost-per-student, cost-per-hour, or cost-per-route. Expenditures  
2.6 by private contractors or individuals who provide transportation exclusively in one  
2.7 transportation category must be charged directly to the appropriate transportation category.  
2.8 Transportation services provided by contractor-owned school bus companies incorporated  
2.9 under different names but owned by the same individual or group of individuals must be  
2.10 treated as the same company for cost allocation purposes.

2.11 (e) Notwithstanding paragraph (d), districts contracting for transportation services  
2.12 are exempt from the standard cost allocation method for authorized and nonauthorized  
2.13 transportation categories if the district: (1) bids its contracts separately for authorized  
2.14 and nonauthorized transportation categories and for special transportation separate from  
2.15 regular and excess transportation; (2) receives bids or quotes from more than one vendor  
2.16 for these transportation categories; and (3) the district's cost-per-mile does not vary  
2.17 more than ten percent among categories, excluding salaries and fringe benefits of bus  
2.18 aides. If the costs reported by the district for contractor-owned operations vary by more  
2.19 than ten percent among categories, the department shall require the district to reallocate  
2.20 its transportation costs, excluding salaries and fringe benefits of bus aides, among all  
2.21 categories.