



Pupil Transportation "Vehicle"

Provided by the Transportation Section within the Program Finance Division

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1. American Recovery and Reinvestment Act Stabilization Funds and Student Transportation

If a district chooses to use Title VIII stabilization funds for student transportation, they should be aware of the various caveats surrounding the use of the funds. Districts may direct charge student transportation expenditures to UFARS program code 760 Student Transportation, finance code 151 Title VIII – Impact Aid with the appropriate object code. A UFARS restricted grid has been built to accommodate this new reporting structure. According to the grid, stabilization funds may be used for activities such as paying the salaries and benefits of transportation directors, bus drivers, transportation support staff, fuel and transportation contracted services. The **School Business Bulletin #41**, article #9 contains information on finance code 151 restricted grid and more information on allowable and unallowable costs.

Some student transportation expenditures will not be allowed such as maintenance costs and bus purchases. It is important to note that there may be specific restrictions noted in Title VIII of the ESEA (Impact Aid) even though the UFARS code allows for the expense. For example, UFARS object code 350, Repairs and Maintenance Services, has an allowable cost (repair services) and an unallowable cost (maintenance services).

If a district uses the funds for contracted services, the district should record the cost of the contract to object 303 or 304 depending on the amount of the contract. These costs are part of the indirect cost calculation and object 360 is not part of those cost calculations.

When a district reports student transportation expenditures in UFARS under finance code 151, the expenditures will not be included in state aid calculations of Nonpublic Student Transportation, Special Education Aid Entitlement or Desegregation/Integration Transportation Aid. These aid formulas will continue to use the expenditures reported in the traditional student transportation finance dimensions (700 series). State transportation aid based on categorical expenditures in only certain finance dimensions.

Districts may want to consider using the stabilization funds for Nonauthorized Transportation. Nonauthorized Transportation is extracurricular and curricular activities that are part of a learning situation as in the case of certain field trips and competitions. Reporting Nonauthorized Transportation under finance code 151 would not affect student transportation funding calculations where state aid is based on costs.

Finally, districts should include the UFARS finance code 151 expenditures in the cost allocation calculation as described in Minnesota Statutes, section 123B.92, Subd. 5.

If you have any questions on the use of Title VIII stabilization funds for student transportation, please contact Kelly Wosika at 651/582-8855 or e-mail kelly.wosika@state.mn.us.

2. Financial Accounting for Student Transportation Services for Title VIII and Federal Funds

Beginning with the 2005-06 school year, Minnesota Statutes, section 123B.92, Subd, 5, required school districts to allocate student transportation expenditures among categories by miles, hours or routes. If further cost allocations were necessary because students from more than one category ride over the same miles, during the same hours, or on the same routes/runs, the costs would be allocated by the number of students utilizing the service or by a cost per mile. This is true for all operations, whether the transportation system is operated by the district or by a privately owned school bus company. The exceptions are:

1. Bus driver salaries and related fringe benefits may either be directly charged to the appropriate transportation category or allocated among categories.
2. Contracts with a privately owned company or an individual who provides transportation exclusively in “one” transportation category (e.g., only providing transportation to special education students in district or a parent transporting a child to and from school) must be charged directly to the appropriate transportation finance code.
3. Expenditures for capital outlay, leased buses, student board and lodging, crossing guards and aides on buses must be charged directly to the appropriate transportation finance code.

Districts will often use this allocation basis to determine a rate to charge back to the various programs or departments that received transportation. A district should also use the allocated cost rate to determine a cost to be coded to finance code 151 for Title VIII funds. For example, if a contractor provided services in more than one category such as 720 Regular and 733 Nonauthorized and the district wanted to charge the nonauthorized cost to finance dimension 151, Title VIII funds, the district would allocate a cost to the related categories based on the number of miles, hours or routes.

Effective FY2010, object code 365, transportation chargeback code is not allowable for federal programs. Since some method to charge back indirect costs associated with transportation is needed, a new finance dimension, 734 is being created. It will allow districts to track material transportation indirect costs back to the program.

The steps would be as follows:

Step 1: Charge federal bus driver salary/fringe to 734.

Step 2: Move federal bus driver salary/fringe from 734 to federal finance.

Step 3: Calculate rate per allocated cost expenditure code (excluding directly charged bus driver salary/fringe).

Step 4: Apply allocated cost expenditure item rate to miles.

Step 5: Move federal allocated costs (from step 4) from 720 to 734.

Confirm that the federal program allows for all the allocated object codes. Then,
Step 6: Move federal allocated costs (from step 5) from 734 to federal finance.

Some object codes are not allowable under Title VIII stabilization funds and the federal funds. Check with the restricted grid on allowable allocated object codes.

If you have any questions on financial accounting for student transportation services for Title VIII and federal funds, please contact Kelly Wosika at 651/582-8855 or e-mail kelly.wosika@state.mn.us.

3. Transportation Reports Now Available on the MARSS Web Edit System (WES)

There are four reports (for most districts) that are available on MARSS WES Statewide Reports that show the number of public school students transported to and from school. These numbers were obtained from districts' Minnesota Automated Reporting Student System (MARSS) submission.

These reports will no longer be mailed out to districts. The MARSS Coordinator should distribute the reports to appropriate district staff in order to determine whether public school student's transportation data is being reported correctly in MARSS.

The Minnesota Department of Education (MDE) sorts students on the "Transporting District Number and Type" fields on MARSS. If a district's student counts are either understated or overstated, some other Minnesota school district may have listed the wrong district number and type as the "Transporting District." (See the "Totals by School" report to determine the districts that listed your district as the Transporting District.) You will have to contact the MARSS Coordinator at the district and ask him/her to correct the data. A list of the MARSS Coordinators can be found on MDE's Website.

The four reports include:

- **MARSS #47 Total Public Students Transported By Category:** This report shows the number of students reported by category for the past four years. Districts can use this report to determine whether the numbers of students reported in 2008-09 are comparable to data reported in previous school years.
- **MARSS #48 Pupil Transportation – Totals By School:** This report shows the breakdown of students transported by category for each school. The District Total line on this report should agree with the numbers reported for 2008-09 on the Total Public Students Transported by Category Report.
- **MARSS #45 Transporting District:** This report is a detailed list of some of the students who are included in your counts. Only students with State Aid Categories 05, 06, 08, 10, 14, 19, 26, 27, and 28 are included in this report. Remember MDE only counts a student once in transportation. If a student attended both your district and another district, only one of the records will be counted. Not all districts will receive this report.

- **MARSS #49 Nonresident Student with MARSS Transportation Code 03-Disabled:** to help districts with the tuition billing process which includes unreimbursed transportation expenses.

Note: Students included on these reports had your district listed as the Transporting District Number and Type.

Please review the reports for completeness and accuracy. If errors are found, your district must:

1. Review the MARSS Transportation Category assigned to each student, make corrections as needed, and resubmit your MARSS data.
2. Review the Transporting District Number and Type assigned to each student, make corrections as needed and resubmit your MARSS data.
3. Contact other districts where your students attend to make sure those districts have assigned the proper transportation code to your students and have listed your district as the Transporting District Number and Type.

Districts should have all MARSS files corrected and ready for the October 23, 2009, MARSS submission. After that date, only manual changes on an individual student basis will be made to the MARSS data. Districts are reminded that no changes can be made to the MARSS data after December 30, 2009, per Minnesota Statutes § 127A.49, Subd. 1.

If you have any questions about these data or need any help in determining the proper MARSS Transportation Codes for your students contact, Kelly Wosika at 651-582-8855 or e-mail kelly.wosika@state.mn.us

4. Bus Purchases with Federal Funds

Federal special education Part B, section 611 and 619 funds may be used to pay for the lease or purchase expense of vehicles used solely to transport students with disabilities for the provision of special education and related services above and beyond those of the general education population. These vehicles should be included in the special education bus inventory. However, vehicles purchased with federal funds are not eligible for bus depreciation per Minnesota Statutes § 123B.92, subd. (1) (a) (ii) and (iii) as the costs have already been covered 100 percent.

The Special Education School Bus Transaction Forms, both Regular and Type III have been modified so that districts must indicate whether or not the vehicle was purchased with federal special education funds. The district's Special Education Bus Inventory Reports will show the selected indicator. The buses purchased with federal special education funds will not be included in bus depreciation calculation in determining state program aid.

The rental or purchase of vehicles with federal special education funds requires prior approval from the supervisor of the Division of Program Finance, Special Education Funding and Data Team. Requests for approval should come from the director of special education and the superintendent and should specifically identify:

- the vehicle;
- the vehicle identification number (VIN)
- the vendor selling the vehicle;
- the purchase price of the vehicle; and,
- all of the purposes and functions of the vehicle if purchased by the school district.

Vehicles purchased from Operating Capital Funds or the General Fund that are used “primarily” for the transportation of pupils with disabilities are eligible for the depreciation aid that is calculated according to Minnesota Statutes § 123.92, subd. (1) (a) (ii) and (iii). Buses on the Regular Special Education Bus Inventory will be depreciated at 12 ½ percent per year over 8 years. Buses on the Type III Special Education bus Inventory will be depreciated at 20 percent per year over 5 years. The department will calculate the amount of depreciation aid and add the amount to the cost reported in UFARS Finance Dimension 723 before calculating special education funding.

If 100 percent of federal funds are used to cover the cost of the bus, it is not permissible to use the bus for non-special education activities. However, if the bus is paid with a combination of federal and general fund dollars, a portion of the time could be used for non-special education activities. For example if general fund dollars covered 25 percent of the costs of the bus, 25 percent of the time could be used for nonspecial education activities. Likewise, if a district used federal and general fund dollars for a vehicle that was used 100 percent of the time for special education purposes, the amount of general fund dollars could be included in the special education bus depreciation aid.

Vehicles purchased for regular to-and-from transportation of nondisabled students should be included in the Regular Bus Inventory. There are two forms, one for Regular (yellow school buses) and one for Type III school buses.

Do not complete a transaction form for vehicles that the district is leasing. The Certificate of Title of the vehicle must be in the name of the lease company during the lease period. Having title to a vehicle denotes ownership.

Bus transaction forms are available on the MDE Website.

If you have questions about the purchase of vehicles with federal funds, contact Michelle Jones at 651-582-8577 or at michelle.jones@state.mn.us . If you have questions about bus transactions forms or bus inventories, contact Kelly Wosika at 651-582-8855 or at kelly.wosika@state.mn.us

5. Transportation Category Added to the Enrollment Record

A new enrollment line is needed when transportation aid is determined on the Average Daily Membership for the time the student was transported for particular category. This would happen for the following situations:

- Student transportation category changes to an 03-Disabled
- Student transportation category changes from an 03-Disabled to another category
- Student transportation category changes to an 04-Deseg when prior transportation category was a 00, 01, 02, 05, or 06
- Student transportation category changes from an 04-Deseg to another category

The **MARSS Transportation Categories Information and Instructions Manual** has been updated to reflect these changes.

6. Pupil Transportation Overview Document

The web document pertaining to school buses, licensing of drivers, training of drivers and students and other general information relating to the student transportation has been updated. The document gives a general overview of the many aspects of the program.

7. Student Safety Training

The familiar sight of yellow school buses on our streets and highways reminds us that it is the beginning of a new school year and it is at the beginning of the school year that school districts must teach their students about school bus safety.

Students in kindergarten through sixth grade enrolled during the first or second week of school must receive school bus safety training by the end of the third week of school. Students in kindergarten through third grade must receive the school bus safety training twice each school year.

Students in seventh through tenth grade only need to receive school bus safety training or safety instructional material if they did not receive the training while enrolled in kindergarten through sixth grade. If these students require the training for instance recently moved to Minnesota, the training must occur by the end of the sixth week.

The school bus safety training must cover the following items:

- Transportation by school bus is a privilege and not a right
- District policies for student conduct and school bus safety
- Appropriate conduct while on the school bus
- Danger zones surrounding a school bus
- Procedures for safely boarding and leaving a school bus
- Procedures for safe street and road crossing and
- School bus evacuation

Students taking driver training instruction classes must receive training in the laws and proper procedures of operation of a motor vehicle in the vicinity of a school bus.

8. Recalls of School Buses

There has been several recall notices issued by the National Highway Traffic Safety Administration (NHTSA) specific to school bus recalls.

To receive e-mail notification register at **NHTSA's Recall Website**.

As you complete the registration process, notice a check box for school bus recall notices. By selecting this box you will receive only school bus recall information.

9. School Board's Transportation Policies

School districts and charter schools who transport their own students should have written policies on student transportation. There are four areas where school boards should have a clear, written policy on their to-and-from school transportation service:

- **Eligibility.** The board policy should include the distance a student must live from school before transportation services will be provided. Are all the student transported regardless of the distance they live from school? Or, does a student have to live one-half miles from school? One mile? Two miles? Are there different distance requirements for the different grade levels? Minnesota Statutes 123B.88 provides that students must live two miles or more from school before a school board is required to provide transportation services. It is a local board decision whether or not to transport students living less than two miles.
- **Hazardous Conditions.** Many school boards will transport students who live less than one mile from school if there are "extraordinary traffic, drug or crime hazards" in the area where the student would have to walk. See Minnesota Statutes 123B.92, subd. 1(b)(2). The board's policy should list the hazardous conditions that exist within the district. For example, the policy might say that students who live less than one mile from school, but must cross Highway (no.) will be transported. Other hazardous conditions may include crossing high-traffic-

volume county, municipal or feeder routes where there is unsigned crossing, a signalized crossing with no pedestrian Walk/Don't Walk indications, or a complicated and congested signalized intersection where heavy traffic tuning movements create confusion and hazards for pupils. A hazardous condition may exist where there is heavy traffic volume and there are no sidewalks or pedestrian walkways, or narrow shoulders or no roadway shoulders. Railroad crossings may also present a hazard.

- **Measuring Distances.** In some transportation categories, students must live a certain distance from school in order to be counted as eligible students. There is nothing in state law or rule that dictates how a school board measures the distance between a student's home and the school. Generally, boards should measure the walking distance on a public roadway or walkway using the most direct, safe route. Do not use the route taken by the bus unless it is the most direct, safe route. Also, do not draw circles on maps around schools to determine the distance.

Each school board should adopt a policy where the measurement will begin and where it will end and apply this policy to all homes and schools within the district. This way all families will be treated equally. Following are some suggested methods for measuring distance. The board may use these suggestions or some other method.

- The school board could begin the measurement at:
 - The centerline of the street that is aligned with the normal walkway to the home
 - The center line of the street that is aligned with the driveway to the home
 - The property line of the lot

The school board could end the measurement at:

- The center line of the street in front of the school entrance that the child would use if the child walked to and from school
- The center line of the street in front of the central entrance to the school
- The school bus loading and unloading area at the school
- The property line of the school

- **Fees.** According to Minnesota Statutes 123B.37, boards shall not charge certain fees for anything that is required by law which includes charging a fee for transportation to and from school of pupils living two miles or more from school. A district may charge a fee for students that live less than two miles and for transportation to and from extracurricular activities conducted at locations other than school, where attendance is optional. If a district does charge a fee for transportation it must establish guidelines for that transportation to ensure that no pupil is denied transportation solely because of inability to pay.

By adopting policies on these three areas, they would lessen the chance of disputes over transportation services and everybody would be treated the same – according to board policy.

10. Transportation Issues Study Committee Meeting

The Issues Study Committee meets monthly to discuss student transportation issues. Any individuals interested in student transportation are welcome to attend the monthly meetings. The committee consists of school district transportation administrators, school bus contractors and other interested parties. The meetings fall on the fourth Wednesday of the month. The next meeting will be held September 23, 2009, at the Minnesota Department of Education, conference room 1 and 2 at 9:30 a.m.