

~~ARKANSAS DEPARTMENT OF EDUCATION
RULES AND REGULATIONS
TRANSPORTATION AID EXPENDITURES~~

~~1.00 — REGULATORY AUTHORITY~~

~~1.01 — These regulations shall be known as Arkansas Department of Education
Regulations governing Transportation Aid Expenditures.~~

~~1.02 — These regulations are enacted pursuant to the State Board of Education's
authority under Act 840 of 1991.~~

~~2.00 — PURPOSE~~

~~2.01 — It is the purpose of these regulations to define the allowable transportation
expenses for school districts.~~

~~3.00 — DEFINITIONS/ACRONYMS~~

~~4.00 — EXPENSES FOR WHICH TRANSPORTATION AID MAY BE USED IN SCHOOL
DISTRICTS WHICH PROVIDE TRANSPORTATION TO THEIR STUDENTS
DIRECTLY RATHER THAN CONTRACTING FOR SUCH SERVICES~~

~~4.01 — Salaries of bus drivers and other personnel employed for the operation and
maintenance of pupil transportation to and from school are allowable
transportation expenditures.~~

~~4.01.1 — Examples of allowable salaries for pupil transportation personnel in
addition to route bus drivers include those paid to school bus aides,
transportation directors, secretaries, mechanics, mechanics helpers, and
school transportation custodians.~~

~~4.01.2 — If employees have other school duties in addition to those relating directly
to transportation, salaries shall be pro-rated between pupil transportation
and other programs according to time actually spent in each program.~~

~~4.02 — Employee benefits paid for school bus drivers and other personnel employed for
the operation and maintenance of pupil transportation to and from school are
allowable transportation expenditures.~~

~~4.02.1 — Such employee benefits may only include the following:~~

~~a. — Unemployment Compensation,~~

b. ~~Workers Compensation,~~

c. ~~Social Security,~~

d. ~~Retirement Benefits,~~

e. ~~Insurance.~~

~~4.02.2 If employees have other school duties in addition to those related to transportation, employee benefits shall be pro-rated between pupil transportation and other programs according to the time actually spent in each program.~~

~~4.03 School districts may use their transportation aid to reimburse school bus drivers for the costs of a commercial drivers license and/or physical examinations.~~

~~4.04 School districts may use their transportation aid to purchase parts and contract labor for the continual maintenance and repair of school buses.~~

~~4.05 School districts may use their transportation aid to purchase school bus insurance. However, multi year premiums cannot be claimed in one year, but shall be pro-rated among the years covered.~~

~~4.06 School districts may use their transportation aid to pay for the utilities, insurance and telephone expenses of the transportation office and/or bus garage. However, if such facilities are used for vehicles other than pupil transportation vehicles, cost shall be pro-rated on the basis of the number of vehicles served by the facility.~~

~~4.07 School districts may use transportation aid for supplies expenditures, including:~~

~~a. Fuel and fuel user's permits;~~

~~b. oil and other lubricants;~~

~~c. tires, both new and recapped (for rear use only), tubes, tire and tube repair expenditures;~~

~~d. tools, including diagnostic equipment;~~

~~5. parts for district owned school transportation vehicles, including engine parts, transmissions, differential units, batteries, glass, antifreeze, small motors, lights, lenses, bulbs, springs, seat material, shock absorbers, and other related parts;~~

- ~~6. Custodial and office supplies for the transportation office and/or bus garage. However, if such facilities are used for vehicles other than pupil transportation vehicles, costs shall be pro rated on the basis of the number of vehicles served by the facility.~~

~~4.08 School districts may use transportation aid for the following capital outlay expenditures:~~

- ~~a. School bus equipment required are permitted by the Administrative Handbook on School Transportation.~~
- ~~2. Refurbishing expenditures; however, such expenditures shall only be claimed during the year of payment for services.~~
- ~~3. Expenses incurred to equip school buses with a two way radio communication system, including an antenna and an administrative base station.~~

~~4.09 School districts may use transportation aid to purchase route or activity buses. Districts may use such aid for the principal amount of the purchase and the interest.~~

~~4.10 School districts may use transportation aid for depreciation expense on the cost of facilities built after July 1, 1986 under the following guidelines.~~

~~4.10.1 School districts may only use transportation aid for depreciation expense for bus barns, fuel storage facilities, and/or maintenance garages.~~

~~4.10.2 The bus barns, fuel storage facilities and/or maintenance garages must have been paid for in cash.~~

~~4.10.3 Depreciation on structures constructed after July 1, 1986 may be claimed by school districts on a straight line depreciation schedule of not more than 20 years beginning in the first year of the facilities use after July 1, 1986. However, transportation aide may only be used for the depreciation expenses incurred after June 1, 1991. On June 1, 1991 the school district depreciation schedule must reflect a schedule from the first year of the facility's use after July 1, 1986.~~

~~4.10. 4 If the transportation facilities are used for~~

~~vehicles other than those in the transportation program, the depreciation charged will be pro-rated on the basis of the number of vehicles served by the facilities.~~

~~4.10.5 Actual bond payments on facilities, regardless of when built, are allowable expenses based on the amount of the bond payment in each physical year.~~

~~4.11 School districts may use transportation aid to construct fencing around the bus compound.~~

~~4.12 School districts may use transportation aid to purchase computer software, hardware and/or computer services for the transportation program. However, if these items are used for programs other than the transportation program, the cost for these services must be pro-rated between the programs served.~~

~~4.13 School district may use transportation aid to purchase additional equipment for installment in school buses such as; lifts, seat restraints, wheelchair locks or other transportation related expenditures specified in any child's Individual Educational Program and necessary for transporting children with disabilities.~~

~~4.14 School districts may use transportation aid to send delegates to the following workshops with the listed limitations, if indicated.~~

~~4.14.1 Arkansas School Bus Mechanics Workshop~~

~~4.14.2 National Standard Conference Delegates (Arkansas may send a maximum of six delegates once every 5 years.)~~

~~4.14.3 Southeastern States Pupil Transportation Conference Delegates (Arkansas may send 9 delegates each year. of these 9, 5 shall be officers of the Arkansas Association of Pupil Transportation.)~~

~~4.14.4 Arkansas Department of Education Training Workshops.~~

~~4.15 School districts may use transportation aid for school bus transportation costs to and from approved Special Education Centers, Vocational Centers, School for the Deaf, and School for the Blind.~~

~~4.16 School districts may use transportation aid for expenditures on the annual school bus safety inspection~~

~~program conducted by the Arkansas State Police
Inspection Centers.~~

~~4.17 School districts may deduct from transportation aid an indirect cost factor in lieu of pro rating support services. Indirect costs may include accounting, personnel, payroll, purchasing, and financial reports when such services are directly attributable to school transportation. To deduct these costs, the following guidelines apply.~~

~~4.17.1 Indirect costs may be recovered only at the close of the fiscal year using the rate determined by the Arkansas Department of Education for that year.~~

~~4.17.2 Indirect costs are computed on budgeted expenditures less capital outlay.~~

~~5.00 EXPENSES FOR WHICH TRANSPORTATION AID **MAY NOT** BE USED~~

~~5.01 School districts may not use transportation aid on gasoline, oil, parts, or other operating expenses for any vehicle or equipment not used in the pupil transportation program. Examples of such vehicles/equipment include, but are not limited to, superintendents' cars, food service vehicles, school maintenance vehicles not related to pupil transportation, driver education cars, lawn mowers, school vans and tractors.~~

~~6.00 SALE OF TRANSPORTATION EQUIPMENT~~

~~6.01 When a school district sells transportation equipment, the proceeds received from the sale shall be considered transportation funds to be used only for allowable transportation expenditures.~~

~~7.00 EXPENSES FOR WHICH TRANSPORTATION AID MAY BE USED WHERE THE SCHOOL DISTRICT CONTRACTS FOR TRANSPORTATION SERVICES~~

~~7.01 School districts may use transportation aid for contracted transportation costs for students in Special Education, Vocational Centers, School for the Deaf and School for the Blind.~~

~~7.02 School districts may use transportation aid for contracted daily route transportation services **if** the following occur:~~

~~7.02.1 A contract is executed between the school district and the contract service provider.~~

~~7.02.2 The executed contract specifies only
transportation expenditures allowable under the
other provisions of these regulations.~~

~~8.00 THESE REGULATIONS SHALL BE EFFECTIVE JULY 1, 1991.~~