



## School Bus Purchases

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 Minn. Stat. § 123B.92, subd. (1) (a) (ii) and (iii) as the costs have already been covered 100%.

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 Minn. Stat. § 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 at the MDE web site. From the home page <http://education.state.mn.us/mde/index.html> Go to Accountability Programs > Program Finance > Transportation > Transportation Forms. There are four forms; Regular Bus, Type III - Regular, Special Ed – Regular and Special Ed Type III. Here is the link: [http://education.state.mn.us/MDE/Accountability\\_Programs/Program\\_Finance/Transportation/Forms/index.html](http://education.state.mn.us/MDE/Accountability_Programs/Program_Finance/Transportation/Forms/index.html)

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](mailto: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](mailto:kelly.wosika@state.mn.us)