August 5, 2009

MEMORANDUM

TO: City and County Superintendents of Education
    City and County Transportation Supervisors
    City and County Chief Financial Officers
    City and County Federal Programs Coordinators

FROM: Warren Craig Pouncey
      Assistant State Superintendent of Education
      Administrative and Financial Services

SUBJECT: 2009-2010 School Year Cost-Per-Mile Rate for Bus Trip Mileage Charges

The Alabama State Department of Education (SDE) cost-per-mile rate for school bus use for the 2009-2010 school year will remain at $1.20. This rate applies to the use of school buses for athletics, field trips, No Child Left Behind, School Choice, Head Start, Even Start, federally-funded summer school, extended day transportation for outside agencies, and all other non-regular route transportation. Outside agencies may be charged more than $1.20 per mile, at the school systems' discretion. This information should be communicated to schools and program coordinators early in the school year to assist with trip planning and budgeting. The rate was determined following a cost analysis of transportation expenditures statewide. The SDE will monitor fuel prices and other costs throughout the school year and notify school systems if an additional change in the cost-per-mile charge is warranted. Generally, however, new cost-per-mile rates are issued at the start of each school year.

Updated accounting procedures for handling school bus mileage charges were initially distributed to school systems on March 4, 2008, and should have now been fully implemented by all school systems, except those that contract with a private company for their transportation services. However, a revised copy of these procedures for the 2009-2010 school year is enclosed for your information. Each school system must account for all extra-curricular trips, including athletics, and other non-regular route transportation trips. All trips taken on activity buses are also subject to the cost-per-mile charges.

Please be advised that state transportation funding may only be used for regular route transportation. School systems must reimburse the transportation account for mileage charges incurred for all non-regular route trips in accordance with SDE procedures. School systems that fail to properly charge for such trips will likely not have enough money to purchase fuel for their school bus routes and could be subject to a reduction in their FY 2010 Transportation Operations Allocation.

If additional information or assistance is needed, please contact Mr. Jerry Lassiter, Statistician Supervisor for Pupil Transportation, at (334) 242-9730.

WCP/JAL/JL

cc: Mr. Joe Lightsey
    Mr. Jerry Lassiter
    Mr. Dennis Heard
    Mr. Barry Kachelhofer
    Ms. Deann Stone

Enclosure

FY09-3087

CC: J. Nazary - 8/24/09
1. Each school system must use the cost-per-mile rate established by the Alabama State Department of Education (SDE). The SDE cost-per-mile rate, for the 2009-2010 school year, is set at $1.20. This rate should be communicated to schools and program coordinators as soon as possible to assist with trip planning. The rate was determined following a cost analysis of transportation expenditures statewide. The SDE will monitor fuel prices during the school year and will notify the school systems if a change in cost-per-mile charges is warranted. New cost-per-mile rates are typically issued at the start of each school year.

2. Each trip should be charged to the school or applicable program based on the total mileage of the trip times the cost-per-mile rate. The bus driver’s pay, if applicable, should be calculated and paid separately using the appropriate coding and should be shown as a “transfer out” on local school accounting records and a “transfer in” on central office records. Each school system must account for all extra-curricular trips, including athletics, and other non-regular transportation trips. All trips taken on activity buses are also subject to the cost-per-mile charges.

3. For extracurricular trips, the amount calculated for each trip for cost-per-mile charges should be recorded as an expenditure by the local school to the (4150) function code, (391) object code, a (4400) or (4500) program code, and the appropriate cost center code. The central office should record the payment received to a new Revenue code (8995) for Extracurricular Trip Mileage Charges with an (8995) funding source. Do not use Revenue code (8995) for the bus driver’s pay.

4. School systems which transport for other school systems should record the payment received to the (8995) Revenue code, but should also utilize a special use code to differentiate payments from their school system from payments from another school system. Do not use Revenue code (8995) for the bus driver’s pay.

5. For Choice Transportation and all other non-regular route transportation, the amount calculated for each trip for cost-per-mile charges should be recorded as an expenditure to the appropriate function code such as Choice Transportation (4180), Head Start (4181) and Even Start (4182), etc., a (391) object code, and the appropriate program and cost center codes. The central office should record the payment received to a new Revenue code (8996) for Non-funded Route Transportation Mileage Charges with an (8996) funding source. Do not use Revenue code (8996) for the bus driver’s pay.

6. Use of buses by outside agencies may be charged at more than $1.20 per mile at the discretion of each local board of education. The central office should record the payment received to a new Revenue code (8997) for Other Transportation Mileage Charges and Miscellaneous Revenues with an (8997) funding source. A special-use code should be utilized to differentiate payments from each source. Do not use Revenue code (8997) for the bus driver’s pay.

7. Each school system will have the flexibility to pay all or a portion of the cost-per-mile charges on behalf of the schools or programs out of the General Fund. If this were done, charges should be recorded to the (4150) function code, (391) object code, a (4400) or (4500) program code, the appropriate cost center code and the (6001) funding source. The central office should record the payment received to Revenue code (8995) for Extracurricular Trip Mileage Charges with an (8995) funding source. Do not use Revenue code (8995) for the bus driver’s pay.

8. Funds in the (8995), (8996), and (8997) funding source accounts should be made available to the Transportation Program. Any funds remaining in these accounts at the close of the fiscal year may be carried over to the next fiscal year. These funds may only be used for transportation operations or the purchase of school buses.

9. These coding procedures were effective on October 1, 2006, and should have now been fully implemented by all school systems. Any funds present in the General Fund (6001), which were deposited there due to the (8995), (8996), or (8997) revenue accounts, should be transferred to their corresponding (8995), (8996), and (8997) funding sources.

10. State transportation funding may only be used for regular route transportation. School systems that do not reimburse transportation for mileage charges in accordance with SDE procedures will be subject to a reduction in their Transportation Operations Allocation.