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# **SECTION 1**

## **INTRODUCTION**

The daily management of the school transportation program is a local school district responsibility. Local boards of education, therefore, are responsible for approving contracts between their school districts and school bus contractors. Local school districts also establish school bus routes, bus stops and loading/unloading zones at schools.

The formula for distributing operational funds is the basis for a school district's budget. Just as in other categorical programs, **a school district will be responsible for managing the transportation budget and for staying within the limits of the funding allocated to the district.** It is imperative, therefore; each school district official that is responsible for preparation of the transportation budget is familiar with and follows all instructions carefully.

## **SECTION 2**

# **School Transportation Program General Provisions, Requirements and Definitions**

### **School Transportation Funding:**

1) Transportation funding may be used ONLY for eligible to and from school transportation costs. Pursuant to Statute **22-8-26 Transportation distribution**, 1978, NMSA as amended. Money in the transportation distribution of the public school fund shall be used only for the purpose of making payments to each school district for the to and from school transportation costs of students in grades kindergarten through twelve attending public school within the school district and of three and four-year old children who meet the state approved criteria and definition of developmentally disabled and for transportation of students to and from their regular attendance centers and the place where vocational education programs are being offered.

Should the number of students on any bus route drop below ten, it shall be the responsibility of the school district to notify the State Transportation Director immediately.

Additional transportation costs for services before and/or after regular school scheduled times are not eligible for regular to and from funding, unless remaining balances are used in accordance with 6.43.3 NMAC.

2) A local board of education may request an emergency allocation for transportation, **CONTINGENT UPON FUNDING AVAILABILITY**, and if the State Transportation Director and the Secretary of Education determine that in order to continue to provide safe and necessary transportation services an emergency does exist, such an allocation will be considered.

3) Pursuant to Statute **22-8-26 Transportation distribution**, 1978, NMSA as amended: "In the event the sum of the proposed transportation allocations to each school district exceeds the amounts in the transportation distribution, the allocation to each school district shall be reduced in the proportion that the local school district allocation bears to the total statewide transportation distribution."

4) Transportation costs not provided for in state statute will be paid from other sources. For example, transportation expenses for instructional activities conducted outside the classroom, such as field trips, will be budgeted in their respective functions, unless remaining balances are used in accordance with 6.43.3 NMAC.

5) Athletic or other activity transportation will be budgeted in the respective fund/subfund, unless remaining balances are used in accordance with 6.43.3 NMAC.

6) **TRANSPORTATION EMERGENCY FUND** - The "transportation emergency fund" is created in the state treasury. Money in the fund shall not revert to the general fund at the end of any fiscal year. Money in the fund is appropriated to the department for the purpose of funding transportation emergencies. The Secretary of Education shall make distributions only to ensure the safety of students receiving to-and-from transportation services.

The Secretary of Education shall account for all transportation emergency distributions and shall make full reports to the Governor, the Legislative Education Study Committee and the Legislative Finance Committee of payments made.

### **School Transportation Administration:**

- 1) Districts may assign personnel to administer school transportation and other programs as well. The transportation distribution can only be used for services provided for the to and from transportation program. In cases where personnel serve various programs, FTE, benefits and administrative expense must be prorated based on actual services provided.
- 2) Administrative expenses are to be based on the reasonable and appropriate allocation for services directly related to school transportation.
- 3) Salary for non-certified school district personnel shall not be less than \$6.00 per hour. (This includes any State mandated training for both school and contracted employed drivers and assistants).
- 4) School owned operations shall provide a local board approved salary schedule for drivers/assistants/individual school bus owner operators to the School Budget Planning Unit. School districts having contracted services shall have a current driver/assistant salary schedule on file at the local district.

### **National Safety Council:**

- 1) The district may budget a per driver enrollment amount for the National Safety Council's School Bus Safety Service. Enroll only one route driver per approved bus route according to the current NSC Rate Schedule.
- 2) A subscription amount may be budgeted in object 53711 in order to enroll each school district as an administration unit for the National Safety Council's School Transportation Service. This will allow each school district to certify eligible employees for National Safety Council Safe Driver Awards.

### **Controlled Substance Testing:**

Controlled Substance testing analysis shall be performed at laboratories certified and monitored by the Department of Health and Human Services. Each employer shall ensure that random alcohol and controlled substances tests are unannounced and that the dates for administering random alcohol and controlled substances are spread reasonably throughout the calendar year. Each employer shall require that each driver who is notified of selection for random alcohol and/or controlled substances testing proceed to the test site immediately. A driver shall only be tested for alcohol while the driver is performing safety-sensitive functions, just before the driver is to perform safety-sensitive functions or just after the driver has ceased performing such functions.

District owned operations must budget sufficient funds to meet the drug and alcohol testing requirements. Districts who contract for to and from transportation services must include the mandatory-testing obligation as a condition within their contractual service agreement.

Effective January 1, 1996, employers (school districts and fleet contractors) who employ individuals for safety sensitive positions must implement federal drug and alcohol testing as required by the Code of Federal Regulations Title 49 Parts 382 and Part 40. School bus drivers, substitute drivers, activity bus drivers and activity vehicle drivers fall within the federal definition of safety sensitive employees. Employers must procure services through a properly licensed examiner to meet the following controlled substance and alcohol testing requirements:

- Pre-employment testing for controlled substances - no employer shall allow a driver to perform safety-sensitive functions unless the driver has received a controlled substances test result from the medical review officer indicating a verified negative test result;
- Pre-employment testing for alcohol is not required;
- Random - The total number conducted each year must equal at least 50% of the safety sensitive employees for controlled substance; ten percent (10%) of the employees must undergo random alcohol testing; alcohol testing conducted on a random unannounced basis just before, during, or just after performance of safety-sensitive functions;
- Post Accident - Alcohol and controlled substance testing conducted on drivers following an accident in which driver performance could have contributed to the accident (as determined by a citation for a moving traffic violation), i.e., bodily injury with immediate medical treatment away from the scene or disabling damage to any motor vehicle requiring tow away and for all fatal accidents even if the driver is not cited for a moving traffic violation, alcohol testing should be administered within two hours following the accident (described above), but no later than eight hours following the accident. Controlled substance testing must be administered within 32 hours following the accident (described above).
- Reasonable Suspicion - an employer shall require a driver to submit to an alcohol and/or controlled substance test when the employer has reasonable suspicion that the driver has violated the prohibitions of subpart B of part 382 and part 40 concerning alcohol or controlled substance. The employer's determination that reasonable suspicion exists to require the driver to undergo controlled substance and/or alcohol testing must be based on specific, contemporaneous, articulable observations concerning appearance, behavior, and speech or body odors of the driver. The required observations for alcohol and/or controlled substances reasonable suspicion testing shall be made by a supervisor or company official who is trained in accordance with 382 CFR 603.
- Return-to-duty and follow-up - The employer shall ensure that before a driver returns to duty requiring the performance of a safety-sensitive function after engaging in conduct prohibited by subpart B alcohol and controlled substance, the driver shall undergo a return to duty alcohol test with a result indicating an alcohol concentration of less than 0.02 and a return to duty controlled substance test with a result indicating a verified negative result for controlled substances use.
- Follow-up alcohol testing shall be conducted only when the driver is performing safety-sensitive functions, or just before the driver is to perform safety-sensitive functions, or just after the driver has ceased performing safety-sensitive functions. Following a determination that a driver is in

need of assistance in resolving problems associated with alcohol misuse and/or use of controlled substances, each employer shall ensure that the driver is subject to unannounced follow-up alcohol and or controlled substances testing as directed by a substance abuse professional.

- Inquiries for alcohol and controlled substances information from previous employers. An employer may obtain, pursuant to a driver's written consent, any of the information concerning the driver who is maintained under this part by the driver's previous employers. An employer shall obtain, pursuant to a driver's consent, information on the driver's alcohol tests with a concentration result of 0.04 or greater, positive controlled substances test results, and refusals to be tested, within the preceding two years, from the driver's previous employers.

### **Training Costs:**

School owned operations shall budget sufficient funds to meet the State Education regulations governing driver-training requirements. Districts who contract for to and from transportation services shall include within their contractual service agreement the requirement that the contractor ensure that driver-training requirements are met.

School bus drivers and/or bus assistants shall complete a total of 8 hours in-service training per semester during the school year or 4 hours per quarter. In-service for new drivers should be pro-rated for the number of quarters employed during their first year.

Quarters during the year are as follows: January 1 - March 31; April 1 - June 30; July 1 - September 30 and October 1 - December 31. Substitute drivers shall meet all the qualifications, training, and licensing requirements of the school bus driver.

# SCHOOL TRANSPORTATION REQUIREMENTS AND DEFINITIONS

**ALTERNATIVE FUEL SYSTEMS** - Vehicles with alternative fuel systems must have the approval of the State Transportation Director.

The State Transportation Director must approve conversions to existing equipment.

**APPROVED ROUTE** - A school bus route approved by a local board of education and which meets statutory criteria.

**BOUNDARY AGREEMENTS** - A formal agreement, entered into by adjoining school districts in accordance with State Education Regulation 6.42.2 NMAC and approved by the Public Education Department, which provides authorization for a district to provide to and from transportation for students to attend a school out-of-district.

**ELIGIBLE SPARE BUSES** - Non-activity buses (beyond 12 years of age) which are insured for the sole purpose of remaining ready and available for use as spare units during the time school bus routes are being operated. Insurance premiums may be paid from the transportation fund for approved spares.

**ELIGIBLE STUDENT** - Students who are eligible to be counted for transportation funding must meet the following criteria:

The transportation services **must** be performed only by use of a school bus or per capita feeder agreements.

1. Student(s) must reside within the established school district boundary or within an approved transportation boundary;
2. Student(s) must reside outside of the statutory walking distance to their assigned school unless an Individualized Educational Plan (IEP) for special education determines that the transportation is necessary and is described on the student's IEP or an approval for hazardous walking conditions survey is on file with the School Transportation Bureau.
3. Student(s) must be considered as a qualified student as specified in 22-8-2; (M); NMSA, 1978; and;
4. Student(s) must meet the membership requirements of section 22-8-2; (B); NMSA, 1978.

**Exceptional circumstances may be considered for funding on a case by case basis, and approved by the State Transportation Director pursuant to 22-16-4 1978, NMSA.**

## 5. APPROVED VOCATIONAL EDUCATION PROGRAM

The school district shall have an approved course or program of courses defined in a written agreement between cooperating public school district(s) and postsecondary institution(s), subject to statewide policies of the Secretary of Education and the Commission of Higher Education. The Concurrent Enrollment Agreement must meet the requirements for Approved Concurrent Enrollment Programs. Approved courses offered by an area vocational school(s) (because they cannot

responsibly be offered by area high schools) are also eligible for transportation funding under the New Mexico Policies Governing Concurrent Enrollment. **The students who ride a regular school bus and are transported to an approved vocational program may be counted twice for the purpose of the 1<sup>st</sup> Reporting Period (40<sup>th</sup> Day Report).**

**SHARED SCHOOL PROGRAM (IN DISTRICT OUT OF ZONE PROGRAM)**

The Concurrent Enrollment Agreement must address funding and scheduling of eligible student transportation between secondary and post secondary institutions. The transportation services **must** be performed by use of a school bus or per capita feeder.

6. Student(s) who are transported directly to a school where no bus service is available. Per capita reimbursement must comply with State Education Regulation 6.43.2 NMAC.

**EMPLOYEE BENEFITS** - Recognition for the cost of benefits for a school bus route for contracted services must be considered as part of the contract negotiation process.

**1<sup>st</sup> REPORTING PERIOD (40<sup>th</sup> Day Report)** - As required by Statute **22-8-29 Transportation distribution; reports; payments**; prior to November 15 of each year, each local school board of a local school district shall collect the information listed below for the 1<sup>st</sup> Reporting Period (40<sup>th</sup> Day Report) (second Wednesday in October) and report to the State Transportation Director five business days after the 1<sup>st</sup> Reporting Period (40<sup>th</sup> Day Report) the following information:

1. The number and designation of school bus routes in operation in the school district;
2. The number of miles traveled by each school bus on each school bus route, showing the route mileage in accordance with the type of road surface traveled;
3. The number of students transported on the 1<sup>st</sup> Reporting Period (40<sup>th</sup> Day Report) the second Wednesday in October of school and adjusted for special education students on December 1;
4. The projected number of students to be transported in the next school year;
5. The seating capacity, age and mileage of each bus used in the district for student transportation; and
6. The number of total miles traveled for each school district's per capita feeder routes.
7. Other reporting requirements as established by the State Transportation Director.

**HARD SURFACED ROADS** - Roads paved with concrete, asphalt, brick or bonded penetration chip.

**INDIVIDUAL SCHOOL BUS OWNER-OPERATOR CONTRACT** - (Owner's code of 1 through 49, assigned by the school district) - A contract entered into by a school district with an individual school bus owner who furnishes his/her own bus and who drives the bus himself/herself on a full time basis in accordance with the policies of the local board of education. The school bus contract must be negotiated, approved and filed with the School Transportation Bureau with the

submission of the school budget each year. Contract agreements for new and first time contracts must be filed upon approval by the local board.

**KINDERGARTEN** - Children are generally transported to school in the morning on the regular route, but due to the half-day programs, they are often transported home at noon. The midday routes are simply extensions of the regular morning or afternoon routes and are established with existing equipment.

**LIABILITY INSURANCE** - Liability insurance in the amount required by the Tort Claims Act shall be budgeted for all eligible school buses owned by the district and private contractors.

**LIVE ROUTE MILEAGE** - The mileage from the point where the first pupil boards the bus to the school where the last pupil alights; and from the school where the first pupil boards the bus to the point where the last pupil alights.

Where the school at which the last pupil alights in the morning and the school at which the first pupil boards in the afternoon are at different locations, the distance between the two schools will be computed as daily live route miles.

Where a bus makes more than one trip, the distance from the point where the last pupil on the first trip alights and the point where the first pupil on the second trip boards will be computed as daily live route miles.

Kindergarten, 3 & 4 year old D.D. or vocational mileage will be reported the same as the regular school bus route...on the daily live route mileage from the point where the first pupil boards the bus to the school where the last pupil alights; and from the school where the first pupil boards the bus to the point where the last pupil alights.

The mileage from the last school in the A.M. to the point where the first kindergarten pupil boards the bus at noon shall be included as live to and from mileage and the point where the last kindergarten pupil alights at noon to the first school in the P.M. shall be live to and from mileage. Live Kindergarten mileage shall be from the point where the first pupil boards to where the last pupil alights. This also applies to midday, three and four year old D.D. programs and approved vocational programs. **THIS DOES NOT INCLUDE ANY NON-REPORTABLE DEADHEAD MILES.**

Where the school at which the last K-12 pupil alights in the morning and the school at which the first Kindergarten or 3 & 4 year old boards for delivery to the home are at different locations, the distance between the two schools will be computed as daily live route miles.

**NON-REPORTABLE OR NON-ROUTE MILES** - Total mileage DOES NOT INCLUDE mileage from the last morning school back to the bus lot or the daytime storage location and back to the midday or afternoon school.

Also, not included is mileage for service, maintenance or for the convenience of the driver or contractor, such as for other employment during the day.

**OTHER TRANSPORTATION RELATED SERVICES** - Other transportation services that includes the actual transportation of students to such events as follows: ancillary services, school to work programs, educational activities, before and after school programs, extended school year and school sponsored athletic programs. Other Transportation Related Services are not included in the to-and-from transportation funding and cannot be charged to the to-and-from program.

**PER CAPITA FEEDER (PCF)** - To provide per capita reimbursement to a parent or guardian in cases where regular school bus transportation is impractical because of distance, road conditions or sparseness of population or in cases where the local school board has authorized a parent to receive reimbursement for travel costs incurred when their child is required by the district to attend a school outside the child's attendance zone. Per capita reimbursement must comply with State Education Regulation 6.43.2 NMAC. The school district shall verify that all parents or guardians receiving PCF payments provide documentation of proof of current insurance. A form should be maintained documenting the actual number of days and daily trips that students are transported to school in accordance with the PCF agreement. The school district shall use this form to verify against student(s) attendance records before making payments. All paperwork shall be signed and maintained at the school district.

**REGULAR TO AND FROM SCHOOL ROUTES** - Regular "to and from" school bus routes are those which have been established for the purpose of transporting eligible children to school (during the regular school day calendar) in the morning and back home in the afternoon at the end of the school day. These routes transport eligible children from their homes or a designated school bus stop all the way to school. These transportation services must be performed by use of a school bus or per capita feeder agreements.

**REMAINING BALANCE** - Unexpended balance at the end of any fiscal year that is not obligated or necessary to meet the to-and-from transportation services included in the school district budget.

**RENTAL FEES** - A maximum 5-year rental fee is allowed for the purchase of dedicated public school buses for private contractors.

Dedicated public school buses are units purchased to be used solely for the purpose of transporting eligible public school children to and from school, for three and four year old D.D. and vocational programs. These buses are purchased with public monies for the single purpose of transporting eligible public school children, and this is the sole reason for their existence. Buses, therefore, are not to be used for private bus operations such as transporting fire fighters. Use of route buses for or by outside groups is not permitted. Dedicated public school buses operated under contract to a school district shall be registered with a school bus (SB -~~xxx~~) red on Yellow New Mexico license plate. [Penalties for non-compliance are contained in **22-16-11 Regulations relative to school buses**, NMSA., 1978]

**The rental fee for 1996 and later model buses shall be applicable to five (5) years and must be an approved school bus under contract.**

**REPORTABLE MILEAGE** - is a combination of live route miles, essential deadhead miles and remote location deadhead miles. Total reportable mileage DOES NOT INCLUDE nonessential mileage from the last morning school back to the bus lot or the daytime storage location and back to the midday or afternoon school.

**REPORTABLE DEADHEAD MILEAGE** - Essential deadhead mileage is mileage from the terminal or overnight storage location of the school bus to the point where the first pupil is picked up and live mileage begins; and the mileage between the point where the last pupil is unloaded in the afternoon to the normal location of storage of the bus for the night.

**SCHOOL BUS FLEET CONTRACT** - (Owner's code of 50-99) A contract entered into by a school district with an entity who owns one or more school buses in accordance with the policies of the local board of education. The school bus contract must be negotiated, approved and filed with the School Transportation Bureau with the submission of the school budget each year. Contract agreements for new and first time contracts must be filed upon approval by the local board.

**SCHOOL OWNED OPERATION** - (Owner's code of 100) A school district which operates its own transportation services. The school owned operator bus contract must be negotiated prior to rendering pupil transportation services.

**STUDENT ROSTERS** - School districts are required to maintain a roster (updated quarterly) of students for to and from transportation, which includes the following:

1. Names and physical addresses of those students eligible for funding who ride the bus on a regular basis \* and who are entitled to ride on the 1<sup>st</sup> Reporting Period (40<sup>th</sup> Day Report) (second Wednesday of October) of the school year;

**\* Regular basis means that students are transported on a regular cycle (such as most Mondays or most mornings or most afternoons, etc.).**

2. Names of those students who are not eligible for funding but who ride the bus;

3. Those rosters are to be maintained and on file in the district;

4. Names of those students eligible for funding who are transported directly from home to school and/or from school to home on an approved per capita feeder route; and

5. Names of those students eligible for funding whom are transported from school to and from their regular attendance centers and the place where vocational educational programs are being offered. In order for secondary students to be counted as eligible students for transportation funding from their regular attendance centers and the place where vocational educational programs are being offered, they must meet the vocational educational program criteria.

**TO-AND-FROM TRANSPORTATION** – Services (during the regular school day calendar) provided from home to school and from school to home each day that school is in session for students in grades kindergarten through twelve attending public school within the school district and of three and four-year old children who meet the approved criteria and definition of developmentally disabled and for transportation of students to and from their regular attendance centers and the place where approved vocational education programs are being offered.

**TRANSPORTATION DISTRIBUTION** - An amount of funding that each school district receives as a result of the operational formula calculation established in sections 22-8-29, 22-8-29.1, 22-8-29.4, and 22-8-29.6 NMSA 1978.

**UNIMPROVED ROADS** - Primitive roads that have no drainage and have never have been improved or maintained by the state, county, tribal or local agency.

**UNPAVED ROADS** - Dirt, gravel, caliche, or loose chip roads that are maintained by the state, county, tribal or local agency.

**VOCATIONAL/DUAL CREDIT** - Bus routes are for the purpose of transporting eligible students to and from attendance centers and the place where approved vocational educational programs are being offered. Vocational transportation is an extension of the regular route. The State Director of Vocational Programs must provide written approval for all programs for which transportation will be paid from the 13000 Fund/Subfund.

For transportation of students to and from their regular attendance centers and the place where vocational educational programs are being offered, vocational education means vocational or technical training or retraining conducted as part of a program designed to enable an individual to engage in a remunerative occupation. Vocational education may provide, but is not limited to, guidance and counseling, vocational instruction, training for vocational education instructors, transportation, and training material and equipment.

**APPROVED VOCATIONAL EDUCATION PROGRAM**

The school district shall have an approved course or program of courses defined in a written agreement between cooperating public school district(s) and post secondary institution(s), subject to statewide policies of the Secretary of Education and the Commission of Higher Education. The Concurrent Enrollment Agreement must meet the requirements for Approved Concurrent Enrollment Programs. Approved courses offered by a area vocational school (s) (because they cannot responsibly be offered by area high schools) are also eligible for transportation funding support under the New Mexico Policies Governing Concurrent Enrollment.

**SHARED SCHOOL PROGRAM (IN DISTRICT OUT OF ZONE PROGRAM)**

The Concurrent Enrollment Agreement must address funding and scheduling of eligible student transportation between secondary and post secondary institutions. The transportation services shall be performed in accordance with the parameters of school bus service contracts, requirements for negotiating and awarding bus contracts and per capita feeder agreements. Transportation services provided in school owned buses are also an appropriate expenditure.

# **SECTION 3**

## **TRANSPORTATION DISTRIBUTION FORMULA AND INSTALLMENT PAYMENT**

Transportation funds are distributed based on a statutory funding formula and the legislative appropriation for school transportation. The Public Education Department shall calculate the transportation allocation for each school district.

### **TRANSPORTATION FORMULA DEFINITIONS**

**Annual variables** - the coefficients calculated by regressing the total operational expenditures from two years prior to the current school year for each school district using the number of students transported and the numerical value of site characteristics;

**Base amount** - the fixed amount that is the same for all school districts within their respective group.

**Total operational expenditures** - the sum of all to-and-from school transportation expenditures, excluding expenditures incurred in accordance with the provisions of Section 22-8-27 NMSA 1978.

**Variable amount** - the sum of the product of the annual variables multiplied by each school district's numerical value of the school district's site characteristics multiplied by the number of days of operation for each school district.

**Total operational transportation distribution** - the total legislative appropriation for the transportation distribution minus amounts included for capital outlay expenses.

### **CALCULATION OF TRANSPORTATION ALLOCATION**

The base amount is designated as product A. Product A is the constant calculated by regressing the total operations expenditures from the two years prior to the current school year for school district operations using the numerical value of site characteristics approved by the Secretary of Education. The legislative education study committee and the legislative finance committee may review the site characteristics developed by the state transportation director prior to approval by the Secretary of Education.

The variable amount is designated as product B. Product B is the predicted additional expenditures for each school district based on the regression analysis using the site characteristics as predictor variables multiplied by the number of days.

The allocation to each school district shall be equal to product A plus product B.

## ADJUSTMENT FACTOR CALCULATION

The adjustment factor shall be calculated as follows:

Calculate the unadjusted transportation allocation for each school district, previously designated as product A plus product B.

The sum total of product A plus product B in all school districts added together equals product C.

Subtract product C from the total operational transportation distribution for the current year and divide the result by product C and then add 1 in the following manner:

$$[(\text{Total operational transportation distribution} - C) \div C] + 1.$$

The result is the transportation distribution adjustment factor.

## INSTALLMENT PAYMENTS

Installment payments to local education agencies are made monthly beginning in July through June of the following year. The payments are based on 1/11th of the approved operational budget; to include Budget Adjustment Requests approved through the appropriate month's distribution and reduced by cash balance carried forward from the prior fiscal year.

**The last installment will be will be disbursed no later than the May distribution. This will allow districts a better opportunity to plan for expending end of the year balance prior to June 30<sup>th</sup>.**

## **YEAR END REMAINING BALANCES FROM TRANSPORTATION FUNDS**

In the event a school district's transportation allocation exceeds the amount required to meet obligations to provide to-and-from transportation, three- and four-year-old developmentally disabled transportation and vocational education transportation, fifty percent of the remaining balance shall be deposited in the transportation emergency fund and fifty percent will be retained by the school district.

Of the excess amount retained by the district, at least twenty-five percent shall be used for to-and-from transportation-related services, excluding salaries and benefits, and up to twenty-five percent may be used for other transportation-related services, excluding salaries and benefits.

The School district is required to submit a BAR for the portion of funds available as determined by the local school district audit for to-and-from operations and other transportation related services. The School District will submit a check in the amount of 50% of the district's cash balance for the school year. The check should be made out to the Public Education Department and on the "memo" line of the check it must reference "school year (xxxx) transportation cash balance 889 fund". The School District must attach the letter from PED to the check that will indicate the dollar amount and mail it by **November 15<sup>th</sup>** directly to:  **NOTE\*\*\***

New Mexico Public Education Department  
**ATTN: MARIA FIDALGO, AUDIT & ACCOUNTING MANAGER**  
300 Don Gaspar Ave., Rm. 232  
Santa Fe, NM 87501

**\*\*\*A copy of the check and letter needs to be mailed to:**

New Mexico Public Education Department  
School Transportation Bureau  
**ATTN: CARLOS M. SANTIAGO, BUREAU CHIEF**  
300 Don Gaspar Ave., Rm. G-7  
Santa Fe, NM 87501

## **SECTION 4**

### **CONTRACT GUIDELINES**

**The school bus contract must be negotiated, approved and filed with the School Transportation Bureau with the submission of the school budget each year. The contract term shall be from July 1<sup>st</sup> through June 30<sup>th</sup> of each year in order to be eligible for rental payments and uninterrupted insurance coverage.** Contract agreements for new and first time contracts must be filed upon approval by the local board.

School districts that have contracted school bus services must negotiate contract amounts with the service provider. The operating fund that is distributed to school districts is not a pass through formula for contracted services. The determination of the contract amount should be made on the basis of necessary services. The equipment portion of the contract is funded separately from the operating fund.

**Beginning on June 19, 2009; the school district shall file a lien on every contractor-owned school bus under the contract on which the contractor owes money, which lien shall have priority second only to a lien securing the purchase-money obligation. The school district shall perfect its lien on each contractor-owned school bus by filing the lien with the motor vehicle division of the taxation and revenue department. The lien shall be recorded on the title of the school bus.**

**A school bus contractor shall not refinance or use a school bus on which a school district has a lien as collateral for any other loan without prior written permission of the department. A school bus lien shall be collected and enforced as provided in Chapter 55, Article 9 NMSA 1978.**

**The school district shall release its lien on a school bus:**

- 1. When the department authorizes a replacement of the school bus; or**
- 2. When the contractor has reimbursed the school district the amount calculated by the Department.**

1) The local board of education will in accordance with State Education Regulation 6.43.2 NMAC approve all contracts between the school district and school bus contractors. The State Transportation Director no longer approves contracts; however, copies of the contract appendices A & B must be submitted to the School Transportation Bureau.

2) Individual school bus owner/operator: Effective July 1, 1995 are employees of the district. Salaries will be based on the districts bus driver salary schedules. The employee contract for salary shall be that used for other Local Education Agency (LEA) support personnel. Board policies governing school employees shall apply to the individual school bus owner/operator. **Individual owners must demonstrate to the school district, sole ownership of the vehicle used to transport students under the contract agreement.**

3) Employee/Contractor Relationship: A school district may not enter into any school bus fleet service contract with any person who is simultaneously employed by that school district as an individual school bus owner operator or employed by the district.

The sale/resale of contractor owned equipment shall be done in accordance with **22-8-27, Transportation equipment and 22-16-3, School bus service contracts**. In the event a school bus service contract is terminated, the Secretary of Education shall calculate the remaining number of years that a bus could be used based on a twelve-year replacement cycle and calculate a value reflecting that use. The local school district shall deduct an amount equal to that value from any remaining amount due on the contract, or if no balance remains on the contract, the contractor shall reimburse the school district an amount equal to the value calculated.

In the event a contract with a school bus operator is terminated, the buses owned by the operator that are used pursuant to his or her school bus service contract shall be appraised by three qualified appraisers appointed by the local school board and approved by the State Transportation Director. The operator succeeding to the contract shall purchase, with the approval of the operator whose contract was terminated, all of the buses owned by the former operator at their appraised value. The three appraisals shall be conducted onsite, and the sale price shall be made at the least appraisal amount. In the event that the equipment owner does not accept the appraisal amount, the local school district shall notify the (contractor) equipment owner, that there is no further obligation on the succeeding contractor to purchase the equipment. The local school district shall notify the State Transportation Director in writing and request approval for new equipment.

### **School District Buy-out from Contractor**

In the event that contract services are being considered for non-renewal and the local district intends to operate school owned buses to provide transportation services, the school district must notify the State Transportation Director in writing at least one year in advance of non-renewal. The Secretary of Education may consider any justified emergencies and render a decision.

**Contract Termination:** In the event that a contract is terminated, State Statutes **22-8-27 Transportation equipment and 22-16-3 School bus service contracts** shall apply. It is the responsibility of the local school district to notify the Public Education Department of the contract termination, and the PED will provide instructions for implementing the required actions.

**Penalty:** Public monies generated under the Formula shall not be used to subsidize, in whole or in part, any buses used for non-public school, private charter or commercial business. Any dedicated Public School Bus used at any time in that capacity shall be disqualified from receiving any part of a rental fee (other than under a single trip limited exemption of 65-2-126 or under the provisions of the Emergency Transportation Act 22-17-Section 1-4 NMSA, 1978).

## **SECTION 5**

### **CAPITAL OUTLAY, RENTAL FEES**

Public School districts which own and operate their own school buses may receive an equipment allowance to purchase or replace eligible school buses which are utilized for the purpose of transporting eligible children to and from school on approved school bus routes. **To receive funds, no school bus may be purchased without prior written approval from the State Transportation Director. The approval to purchase or replace a school bus specifically identifies the owner involved in this transaction. This transaction shall not be transferred without prior written approval from the State Transportation Director.**

The capital outlay allowance is for a school bus, which meets current New Mexico construction and design standards for school buses. School districts shall purchase school buses at the lowest bid price. The bid shall include the price of each base item (minimum standards) and the price of each additional approved option.

Beginning with the 2000-2001 school year, the credit for a school bus trade-in will no longer apply. The cost for extra options, which are permitted by standards, may be funded under the capital outlay portion. The school district may use the trade-in allowance from a school bus traded in towards the purchase of a new school bus to cover the cost for optional items. This will allow school districts to cover the costs for optional equipment to meet operational conditions that exist in their area. Capital outlay is based on the following procedures:

**School districts shall report adjustments to rental fees when a privately owned school bus is declared unusable due to an accident and shall adjust the earned rental fee to the accident date.**

#### **SCHOOL BUS REPLACEMENTS**

##### **A. Bus Replacement Categories**

- I. Scheduled replacement is based on the following criteria
  - a. Age of a bus (Buses are replaced on a twelve-year replacement cycle)
  - b. Mileage (Highest mileage buses that are eleven years of age will be considered for replacement provided that funding is available)
- II. Emergency replacement procedures

A request may be made to the State Transportation Director for emergency replacements based upon justifiable conditions.

The school district must verify that the request meets the following conditions and forward supporting documents to the school transportation bureau:

a. Accident (When a bus is involved in an accident and the insurance adjustment considers the bus not repairable due to excessive damage, an emergency replacement may be authorized. Documentation from the insurance company must be submitted with the request for bus replacement.)

b. Other emergency replacements (i.e., essential to serve the needs of students, excessive maintenance costs, unsafe condition of the bus) approval will be based on verification of the following and availability of revenue:

- \* A preventive maintenance schedule, which documents proper care of the bus and which meets or exceeds the manufacturer's recommended service requirements.

- \* Records demonstrate excessive maintenance and operation costs.

- \* Bus inspections verify that the bus is not safe to operate and cannot be made safe.

- \* Verification that the bus cannot be repaired at a reasonable cost.

- \* Verification that excessive mileage has accrued on the bus as a result of operating to and from transportation bus routes.

- \* If the mileage has accrued from other than to and from transportation services, the district must demonstrate that maintenance and upkeep have been paid from an appropriate fund.

### III. New equipment for growth

A request may be made to the State Transportation Director for new equipment based upon the following justifiable conditions.

a) The district must demonstrate as part of their justification, that all current equipment is utilized efficiently and additional equipment is necessary for required services.

b) The district must verify that the additional equipment is for eligible students.

c) The district must verify that transportation services are not provided for students who are not eligible for transportation.

d) Approval of additional equipment will be based on available funding and priority of need.

- e) Requests for additional school buses for transportation to school as a matter of choice will be considered. The district plan must be submitted for approval a year in advance. Approval for additional equipment is contingent on available funding.

**B. Public Education Department Procedures for Bus Replacements**

- I. The Public Education Department includes within Legislative request the number of buses eligible for replacement for contract and school owned operations based on the established criteria for the normal replacement cycle and for emergency replacements.
- II. The School Transportation Bureau will submit a bus replacement form for the eligible buses (twelve years of age) to the respective school district once approved and signed by the State Transportation Director.
  - a. The State Transportation Director will determine the capital outlay cost of the bus for school owned operations based on actual bid price quotations. The rental fees for contracted operations will be based on the determined base price amount, amortized over a 5 year period at the prime rate plus one each size category within the rental fee schedule. The eligible rental fees are calculated based on the manufactures rated seating capacity. The specially equipped bus rental fees are based on the manufacture's rated seating capacity prior to the installation of the lift mechanism or removal of seats.

School bus contractors may use the trade-in allowance from school buses traded in towards the purchase of a new school bus to cover the cost for optional items. This will allow school bus contractor to cover the cost for optional items to meet operational conditions that exist in their area.

- b. School owned operations will follow bidding procedures and provide the School Transportation Bureau a copy of the following:

- Bid award with price quotations (for each item)
- Invoice
- School bus replacement form and Database information Update
- Certificate of registration form

- c. The Public Education Department will reimburse school district bus purchases for the amount of the base standard cost of the bus. The additional cost may be funded from other district revenues, transportation operational funds, or from school bus trade-in allowance with the approval of the local board of education and the State Transportation Director.

### **C. School District Procedures for school bus purchases**

- I. Normal school bus replacements (twelve-year cycle) will be determined by the School Transportation Bureau. Each receiving school district will be notified of the scheduled replacements on forms approved and signed by the State Transportation Director. In the event that the school district requires a change in equipment from the approved replacement, the school district must notify the State Transportation Director in writing requesting those changes. Any bus purchases made without prior written approval will not be eligible for funding.
- II. Emergency school bus replacements may be requested by a school district. The district must include the justification for the emergency replacement as outlined in the Emergency Replacement Procedures above.

**To establish budget authority, the district must submit a Budget Adjustment Request (BAR) with the applicable base bid price quotes.**

### **Rental Fees for School Bus Contractors**

**To receive funds, no school bus may be purchased without prior written approval from the State Transportation Director.**

School buses purchased (1996 and later model) and placed into service during the school year are eligible for rental fees for five (5) full years through the appropriate school district.

**Budget Adjustment Requests (BAR) for rents & leases received at PED after May 1<sup>st</sup> will not be approved for funding during the current year.** The funding for these buses will not be approved for distribution until July 1<sup>st</sup>.

Rental fees will be earned beginning on the first day that the bus is placed into service and contingent upon completion of a school bus inspection.

**The BAR justification for contracted operation school bus purchase rental fees shall include:**

1. School bus replacement form and database information update;
2. Certification of title and registration (Copies);
3. **Approved and signed** contract amendments with appendix A and B (Copies);
4. Approval to purchase or replace a school bus form; and
5. **Verification of a lien filed with the Motor Vehicle Division.**

Changes to rental fees (object 54620) also require amended contract appendix A and B.

# **SECTION 6**

## **BUDGETING INSTRUCTIONS AND DEFINITIONS**

### **BUDGET PREPARATION**

State Education Regulations are approved pursuant to Statute to establish standard for school budgets and to create uniform financial accounting procedures for all New Mexico public schools. The transportation allocation is budgeted in the 13000 Fund/Subfund.

### **DOCUMENTS REQUIRED FOR BUDGET PREPARATION**

- I. Administrative requirements and procedures for preparing school transportation budgets.
- II. Transportation distribution formula.
- III. School district rental fee table.

### **BUDGET DEVELOPMENT**

Each Local Education Agency (LEA) shall establish their tentative budget based on the revenue generated by the transportation funding formula. Each Local Education Agency (LEA) will budget their revenue as appropriate to meet identifiable transportation needs.

The operational transportation distribution does not include rental fees, or capital outlay for school owned buses. The rental fees are identified separately for each Local Education Agency (LEA). This amount shall be budgeted in object 54620.

If your district has received approval to purchase a bus from current year revenue, and the equipment has not been received prior to June 30, the amount of the commitment (purchase order amount) shall be encumbered and a budget adjustment request must be processed to receive budget authority in the following fiscal year. School districts must not process a check for payment until the equipment is delivered.

# TRANSPORTATION DISTRIBUTION WORKSHEET

Before you prepare your budget, you will need to carefully review the School Transportation Distribution Formula/Allocation and the projected rental fee summary for the upcoming School year. The Revenue Code for Transportation Distribution is 43206.

Be sure to consider:

- Administrative Costs
- Benefits
- Controlled Substance Testing Requirements (55915)
- Training Costs
- Insurance Premiums
- Liability premium for school bus inspectors (55914)
- Safety Certifications (school bus inspections) (55916)
  - (1) The entire amount required shall be budgeted in this object code.
- Rental Fee's (54620)
- Unobligated Reserve to meet unanticipated costs

## UNIFORM CHART OF ACCOUNTS (UCOA)

### **2700 STUDENT TRANSPORTATION**

Activities concerned with conveying students to and from school, as provided by state and federal law. This includes trips between home and school and trips to school activities. Used with Program 0000 only. Activities include:

- **Vehicle Operation.** Activities involved in operating vehicles for student transportation, from the time the vehicles leave the point of storage until they return to the point of storage, including operation of buses or other student transportation vehicles.

- **Monitoring Services. (NOT PERMITTED WITH FUND 13000).** Activities concerned with supervising students in the process of being transported between home and school and between school and school activities. Such supervision can occur while students are in transit and while they are being loaded and unloaded and it includes directing traffic at the loading stations.
- **Vehicle Servicing and Maintenance.** Activities involved in maintaining student transportation vehicles, including repairing vehicle parts; replacing vehicle parts; and cleaning, painting, fueling, and inspecting vehicles for safety.

## **OPTIONAL UCOA FUNCTION CODES**

### **2700 Student Transportation – Sub Functions OPTIONAL**

- 2710 Vehicle Operation.** Activities that may be included in this **optional** code involve in operating vehicles for student transportation, from the time the vehicles leave the point of storage until they return to the point storage. These would include operation of buses or other student transportation vehicles.
- 2720 Monitoring Services. (NOT PERMITTED WITH FUND 13000).** Activities that may be included in this **optional** code are concerned with supervising students in the process of being transported between home and school and between school and school activities, including supervision that occurs while students are in transit and while they are being loaded and unloaded, as well as directing traffic at the loading stations.
- 2730 Vehicle Servicing and Maintenance.** Activities that may be included in this **optional** code are those involved in maintaining student transportation vehicles, including repairing vehicle parts; replacing vehicle parts; and cleaning, painting, fueling, and inspecting, vehicles for safety.
- 2790 Other Student Transportation Services.** Student transportation services that cannot be classified elsewhere in the 2700 series may be included in this **optional** code.

## **OBJECT DEFINITIONS**

### **REVENUE CODES**

#### **45303 SALE OF REAL PROPERTY (> \$25,000) OR EQUIPMENT (>\$5,000)**

Proceeds from the sale of real property (\$25,000 or more) or property/equipment (\$5,000 or more). Approval by the Public Education Department is required prior to the sale.

**45304 SALE OF PERSONAL PROPERTY (<\$25,000) OR EQUIPMENT (<\$5,000)**

Proceeds from the sale of property (under \$25,000) and/or equipment (under \$5,000).

**41953 INSURANCE RECOVERIES**

Insurance recoveries for the replacement of personal, real property, and/or equipment.

**41980 REFUND OF PRIOR YEAR'S EXPENDITURES**

Refunds/reimbursements from prior year expenditures.

**41500 INVESTMENT INCOME**

Earnings from all deposits and investments. Such receipts shall be credited to the revenue account that provided the cash for investment.

**43102 PED STATE FLOW THROUGH GRANTS**

Revenue from the State appropriated grants that flow through the Public Education Department.

**43104 EMERGENCY SUPPLEMENTAL**

Money in the transportation emergency fund is for the purpose of funding school transportation emergencies. The Secretary of Education shall make distributions only to ensure the safety of students receiving to-and-from transportation services.

**43206 TRANSPORTATION DISTRIBUTION**

Distribution for the purpose of providing transportation to and from schools for pupils in grades K-12 and qualified special education students. Revenue shall be credited to the Transportation Subfund

**43210 SPECIAL CAPITAL OUTLAY - STATE**

State grants for specific capital outlay purposes.

## EXPENDITURE CODES

### **51000 PERSONNEL SERVICES – COMPENSATION**

Amounts paid to both permanent and temporary school district and charter school employees, including personnel substituting for those in permanent positions. This includes gross salary for personnel services rendered while on the payroll of the school district or charter school and other forms of compensation. Used with all Functions the except 2900 (Other Support Services), 4000 (Capital Outlay), and 5000 (Debt Service). Used with all Job Classifications except 0000 (None). *This is a “roll-up” account for accumulation of totals. Entries are not posted to the “roll-up” account, but to the accounts listed below.*

**51100 Salaries Expense.** Full-time, part-time, and prorated portions of the costs for work performed by permanent and temporary employees of the school district or charter school.

**51200 Overtime Expense.** Amounts paid to non-exempt employees of the school district or charter school in either temporary or permanent positions for work performed in addition to the normal work period for which the employee is compensated under regular and temporary salaries. The terms of such payment for overtime are a matter of state and local regulation and interpretation.

**51300 Additional Compensation.** Amounts paid to both permanent and temporary school district or charter school employees for items such as bonuses or incentives that are in addition to standard compensation. Includes stipends (amounts paid to both permanent and temporary school district or charter school employees that are paid on a regular or irregular basis for some specific purpose such as serving as a department chair or coaching that are in addition to standard compensation).

### **52000 PERSONNEL SERVICES - EMPLOYEE BENEFITS**

Amounts paid by the school district or charter school on behalf of employees (amounts not included in gross salary but in addition to that amount). Such payments are fringe benefit payments and, although not paid directly to employees, nevertheless are part of the cost of personnel services. Used with all Functions except 2900 (Other Support Services), 4000 (Capital Outlay), and 5000 (Debt Service). Used with all Job Classifications except 0000 (None). *This is a “roll-up” account for accumulation of totals. Entries are not posted to the “roll-up” account, but to the accounts listed below.*

**52100 Retirement Contributions.** Employer’s share of any state or local employee retirement system paid by the school district or charter school, including the amount paid for employees assigned to federal programs. Separate accounts have been established for the 52100 series. *This is a “roll-up” account for accumulation of totals. Entries are not posted to the “roll-up” account, but to the accounts listed below.*

**52111 Educational Retirement.** Employer’s share of Educational Retirement contribution.

**52112 ERA Retiree Health.** Employer’s share of Educational Retiree Health Care contribution.

- 52200**      **Social Security Contributions.** Employer’s share of Social Security paid by the school district or charter school. Separate accounts have been established for the 52200 series. Additional accounts may be added as needed for this same purpose. *This is a “roll-up” account for accumulation of totals. Entries are not posted to the “roll-up” account, but to the accounts listed below.*
- 52210**      **FICA Payments.** Employer’s share of Social Security – FICA taxes.
- 52220**      **Medicare Payments.** Employer’s share of Social Security – Medicare contribution.
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- 52300**      **Health/Medical Benefits.** Amounts paid by the school district or charter school to provide health benefits for its current employees. These charges should be distributed to the appropriate functions and job classifications in accordance with the related salary expenditures. Separate accounts have been established for the 52300 series. *This is a “roll-up” account for accumulation of totals. Entries are not posted to the “roll-up” account, but to the accounts listed below.*
- 52311**      **Health and Medical Premiums.** Employer’s share of health and medical premiums.
- 52312**      **Life.** Employer’s share of life insurance premiums.
- 52313**      **Dental.** Employer’s share of dental insurance premiums.
- 52314**      **Vision.** Employer’s share of vision insurance premiums.
- 52315**      **Disability.** Employer’s share of disability insurance premiums.
- 52316**      **Other Insurance.** Employer’s share of insurance benefits authorized by the New Mexico Public Schools Insurance Authority (NMPSIA) not previously identified.
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- 52500**      **Unemployment Compensation.** Amounts paid by the school district or charter school to provide unemployment compensation for its employees. These charges should be distributed to the appropriate functions and job classifications in accordance with the salary expenditures. Separate accounts may be added to the 52500 series. *If separate accounts are established within this series, this account becomes a “roll-up” account for the accumulation of totals; in which case no entries should be posted to this account.*
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- 52700**      **Workers Compensation.** Amounts paid by the school district or charter school to provide Workers compensation insurance for its employees. These charges should be distributed to the appropriate functions and job classifications in accordance with salary budget. Separate accounts have been established for the 52700 series. *This is a “roll-up” account for accumulation of totals. Entries are not posted to the “roll-up” account, but to the individual accounts listed below.*
- 52710**      **Workers Compensation Premium.** Workers compensation for school employed personnel.

- 52720**      **Workers Compensation Employer's Fee.** School district's or charter school's share of administrative fee.
- 52730**      **Workers Compensation (Self Insured).** Workers compensation payments to employees from self-funded programs.

**52900**      **Other Employee Benefits.** Employee benefits other than those classified above, including fringe benefits such as automobile allowances, housing or related supplements, moving expenses, and paid parking. These charges should be distributed to the appropriate functions and job classifications in accordance with the related salary expenditures. Additional accounts may be added as needed for this same purpose. *This is a "roll-up" account for accumulation of totals. Entries are not posted to the "roll-up" account, but to the accounts listed below.*

- 52911**      **Cafeteria Plan Fees.** Payments assessed by insurance agent for administering the cafeteria plan (IRS section 125).
- 52912**      **Employee Assistance Programs.** Employer's share of employee assistance programs.
- 52913**      **Workers Compensation Employee Fee.** Expenditures for employees' share of administrative fee.
- 52914**      **Deferred Sick Leave Reserve.** Employee's share of unused sick leave to be transferred to an unused sick leave pool pursuant to the school district's or charter school's deferred sick leave plan.

**53000**      **PURCHASED PROFESSIONAL AND TECHNICAL SERVICES**

Services that by their nature can be performed only by persons or firms with specialized skills and knowledge. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, teachers, and accountants. Separate accounts have been established for the 53000 series. *This is a "roll-up" account for accumulation of totals. Entries are not posted to the "roll-up" account, but to the accounts listed below.*

**53330**      **PROFESSIONAL DEVELOPMENT.** Course fees, tuition, and registration fees for employees other than Teachers and direct instructional personnel. This excludes travel. Used with all Functions except 2900 (Other Support Services), 4000 (Capital Outlay), and 5000 (Debt Service and Miscellaneous).

**53700**      **Other Purchased Services.** Other purchased services not previously categorized. Separate accounts have been established for the 53700 series. Additional accounts may be added as needed for this same purpose. *This is a "roll-up" account for accumulation of totals. Entries are not posted to the "roll-up" account, but to the accounts listed below.*

**53711 Other Charges.** Includes charges such as court costs, filing fees, notary bonds, professional association dues, commissions, district memberships, non-employee stipends, allowance and other related charges. Postage is to be charged to account 56118 (General Supplies and Materials).

## **54000 PURCHASED PROPERTY SERVICES**

Services purchased to operate, repair, maintain, and rent property owned or used by the school district or charter school when performed by persons other than school district or charter school employees. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided. *This is a “roll-up” account for accumulation of totals. Entries are not posted to the “roll-up” account, but to the accounts listed below.*

**54300 Repairs and Maintenance Services.** Expenditures for repairs and maintenance services not provided directly by school district or charter school personnel. Separate accounts have been established for the 54300 series. *This is a “roll-up” account for accumulation of totals. Entries are not posted to the “roll-up” account, but to the accounts listed below.*

**54311 Maintenance & Repair – Furniture/Fixtures/Equipment.** Contract service agreements that authorize an individual or outside source to perform maintenance, repair, recondition or overhaul of all school-owned furniture, fixtures, and/or equipment.

**54312 Maintenance & Repair – Buildings and Grounds.** Contract service agreements that authorize an outside agency to perform maintenance, repair, and custodial services; including rental of equipment used by school employees in repair and upkeep of school-owned buildings and grounds.

**54313 Maintenance & Repair – Vehicles.** Contract service agreements that authorize an outside agency to perform maintenance repair, recondition, or overhaul to school-owned vehicles.

**54314 Maintenance & Repair – Buses.** Contract service agreement that authorize an outside agency to perform maintenance, repair, recondition, or overhaul to school-owned buses.

**54400 Utility Services.** Expenditures for utility services supplied by public or private organizations. Used with Functions 2600 (Operation & Maintenance of Plant), 2700 (Student Transportation), and 3100 (Food Service Operation). Separate account have been established for the 54400 series. *This is a “roll-up” account for accumulation of totals. Entries are not posted to the “roll-up” account, but to the accounts listed below.*

**54411 Electricity.** Expenditures for electric utility services including lighting, power, and heat, including fees for rented or contracted lighting from a private or public utility company.

- 54412**      **Natural Gas (Buildings).** Costs associated with heating of school district or charter school buildings through the use of natural gas.
- 54413**      **Propane/Butane (Buildings).** Cost of fuel, including delivering fees, for the purpose of providing heat for school district or charter school buildings.
- 54415**      **Water/Sewage.** Water and sewage disposal. (Expenditures for electric power for pumping of a school district’s or charter school’s water are charged to account 54411 – Electricity.)
- 54416**      **Communication Services.** Services provided by persons or businesses to assist in transmitting and receiving messages or information. This category includes telephone, and voicemail; data communication services to establish or maintain computer-based communications, networking, and Internet services; video communications services to establish or maintain one-way or two-way video communications via satellite, cable, or other devices. Do NOT include the cost to purchase telephone communication systems.

**54600**      **Rentals.** Costs for renting or leasing land, buildings, equipment, and vehicles. Separate accounts have been established for the 54600 series. Used in most Functions except for 2900 (Other Support Services) and 5000 (Debt Service and Miscellaneous). *This is a “roll-up” account for accumulation of totals. Entries are not posted to the “roll-up” account, but to the accounts listed below.*

- 54610**      **Rental – Land and Buildings.** Expenditures for leasing or renting land and buildings for both temporary and long-range use by the school district or charter school. Used with Function 2610 (Operation of Buildings).
- 54620**      **Rental – Equipment and Vehicles.** Expenditures for leasing or renting equipment or vehicles for both temporary and long-range use by the school district or charter school. Includes bus and other vehicle rental when operated by a local school district or charter school, lease-purchased arrangements, and similar rental agreements. Do NOT include costs associated with the rental of computers or other technology-related equipment. These costs should be coded to account 54630 (Rentals of Computers and Related Equipments) as described below.
- 54630**      **Rental – Computers and Related Equipment.** Expenditures for leasing or renting computers and related equipment for both temporary and long-range use.

## **55000 OTHER PURCHASED SERVICES**

Amounts paid for services rendered by organizations or personnel not on the payroll of the school district or charter school (separate from Professional and Technical Services or Property Services). Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided. *This is a “roll-up” account for accumulation of totals. Entries are not posted to the “roll-up” account, but to the accounts listed below.*

**55100 Student Transportation Services.** Expenditures for transporting children to and from school and other activities. Used only with Function 2700 (Student Transportation). Separate accounts have been established for the 55100 series. Additional accounts may be added as needed for this same purpose. *This is a “roll-up” account for accumulation of totals. Entries are not posted to the “roll-up” account, but to the accounts listed below.*

**55111 Transportation Per-Capita Feeders.** Payments for private conveyance to designated locations. Used only with Function 2700 (Student Transportation).

**55112 Transportation Contractors.** Owners who operate, under a contract with the local school board to transport pupils to and from school pursuant to Sections 22-16-3 and 22-16-6, NMSA, 1978 Compilation. Used only with Function 2700 (Student Transportation).

**55200 Property/Liability Insurance.** Insurance coverage in accordance with requirements of statutes which include the following types: General liability, civil rights/personal injury, malpractice, property liability, auto liability, and surety bonds. Used with Functions 1000 (Instruction), 2100 (Support Services – Students), 2600 (Operation & Maintenance of Plant), 2700 (Student Transportation), and 3100 (Food Services Operation). Separate accounts may be established for the 55200 series for type of insurance. *If separate accounts are established within this series, this account are established with this series, this account becomes a “roll-up” account for the accumulation of totals; in which case no entries should be posted to this account.*

**55800 Travel and Training.** Expenditures for transportation, meals, hotel, and other expenditures associated with staff travel for the school district or charter school. Payments for per diem in lieu of reimbursements for subsistence (room and board) also are charged here. Separate accounts have been established for the 55800 series. *This is a “roll-up” account for accumulation of totals. Entries are not posted to the “roll-up” account, but to the accounts listed below.*

- 55813**      **Employees Travel – Non-Teachers.** Necessary and legal travel for school district or charter school employees other than Teachers and direct instructional personnel in accordance with state and local policy and regulations. Used with all Functions except 5000 (Debt Services).
- 55815**      **Bus Driver Institute Training.** Expenses for attending a School Bus Driver’s Training Institute. Only used in Functions 2300 (Support Services – General Administration) and 2700 (Student Transportation).
- 55816**      **Bus Driver In-Service Training.** Cost of all other required driver’s training. Only used in Functions 2300 (Support Services – General Administration) and 2700 (Students Transportation).

**55900**      **Inter-Educational, Inter-Agency Purchased Services.** Payments – other than tuition or transportation – for services made between a school district or charter school and other governmental entities. Used so that all payments among districts and charter schools can be eliminated when consolidating reports from multiple school districts and charter schools at state and federal levels (when a question arises about whether to code such payments to the 53000 series or to this account). Separate accounts have been established for the 55900 series. *This is a “roll-up” account for accumulation of totals. Entries are not posted to the “roll-up” account, but to the accounts listed below.*

- 55914**      **Contracts – Interagency.** Expenditures for all contractual agreements with other school districts and charter schools and governmental entities. Used with all Functions except 2900 (Other Support Services), 4000 (Capital Outlay), and 5000 Debt Service and Miscellaneous).
- 55915**      **Other Contract Services.** Includes services such as janitorial, security, legal notices, linen and industrial, printing and binding, medical claims review/payment, grounds keeping, referees, and drug and alcohol testing. Used with all Functions except 2900 (Other Support Services), 4000 (Capital Outlay), and 5000 Debt Service and Miscellaneous).
- 55916**      **Bus Inspections.** Expenditures in the Transportation sub-fund for contracted bus inspections. Only used in Function 2700 (Student Transportation).

## **56000 SUPPLIES**

Amounts paid for items that are consumed, are worn out, or deteriorate through use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances. Equipment that has a cost lower than the school district's or charter school's capitalization threshold should be coded in this series instead of to a 57000 series code. *This is a "roll-up" account for accumulation of totals. Entries are not posted to the "roll-up" account, but to the accounts listed below.*

**56100 General Supplies.** Expenditures for all supplies (other than those listed in 56200 below) for the operation of a school district or charter school, including freight and cartage. A more thorough classification of supply expenditures is achieved by identifying the object with the function—for example, audiovisual supplies or classroom teaching supplies. Used with all Functions except 5000 (Debt Service). Separate accounts have been established for the 56100 series. *This is a "roll-up" account for accumulation of totals. Entries are not posted to the "roll-up" account, but to the accounts listed below.*

**56113 Software.** Computer software.

**56118 General Supplies and Materials.** Other supplies and materials purchased for the operation of school district or charter school facilities, equipment, vehicles, and programs (e.g., postage, office supplies) not accounted for elsewhere.

**56200 Energy and Transportation Maintenance and Supplies.** Expenditures for energy, including gas, oil, coal, and gasoline, and for services received from public or private utility companies. Separate accounts have been established for the 56200 series. Used only in Functions 2600 (Operation & Maintenance of Plant) and 2700 (Student Transportation). *This is a "roll-up" account for accumulation of totals. Entries are not posted to the "roll-up" account, but to the accounts listed below.*

**56210 Natural Gas (Vehicles).** Expenditures for gas utility services from a private or public utility company. Used with Functions 2600 (Operation & Maintenance of Plant) and 2700 (Student Transportation).

**56211 Gasoline (Vehicles).** Gasoline purchases. Used with Functions 2600 (Operation & Maintenance of Plant) and 2700 (Student Transportation).

**56212 Diesel Fuel (Vehicles).** Diesel fuel purchases. Used with Functions 2600 (Operation & Maintenance of Plant) and 2700 (Student Transportation).

**56213 Propane (Vehicles).** Propane or natural gas. Used with Functions 2600 (Operation & Maintenance of Plant) and 2700 (Student Transportation).

**56214 Lubricants/Anti-Freeze.** Lubricant or anti-freeze. Used with Functions 2600 (Operation & Maintenance of Plant) and 2700 (Student Transportation).

**56215 Tires/Tubes.** Tire and tube purchases. Used with Functions 2600 (Operation & Maintenance of Plant) and 2700 (Student Transportation).

**56216 Maintenance Supplies/Parts.** Maintenance supplies and parts. Used only for supplies and materials. Do NOT include labor; charge this to accounts in the 54300 series (Repairs and Maintenance Services). Used only in Function 2700 (Student Transportation).

**57000 PROPERTY**

Expenditures for acquiring capital assets, including land, existing buildings, existing infrastructure assets, and equipment. *This is a “roll-up” account for accumulation of totals. Entries are not posted to the “roll-up” account, but to the accounts listed below.*

**57300 Vehicles and Equipment.** Expenditures for the initial, additional, and replacement items of equipment, such as machinery, furniture and fixtures and vehicles. Separate accounts have been established for the 57300 series. *This is a “roll-up” account for accumulation of totals. Entries are not posted to the “roll-up” account, but to the accounts listed below.*

**57311 Vehicles General.** Purchase of vehicles. Exclude buses and heavy equipment.

**57312 Buses.** Purchase of buses.

**57313 Heavy Equipment.** Purchase of heavy equipment (exceeding one ton).

**57331 Fixed Assets (More than \$5,000).** Tangible assets with a life longer than one year, such as land, buildings and improvements, equipment, machinery, construction work in progress, and leased assets costing more than \$5,000. Such items shall be added to the fixed assets inventory presented to the auditor.

**57332 Supply Assets (\$5,000 or less).** Initial, additional and replacement items of equipment such as furniture, equipment, machinery, band uniforms and instruments. Includes equipment expenditures for instruction, administration, operation and maintenance of plant, food and community services.

## **SECTION 7**

# **REPORTING PROCEDURES & REQUIREMENTS**

**1<sup>st</sup> REPORTING PERIOD (40<sup>th</sup> Day Report)** - As required by Statute **22-8-29 Transportation distribution; reports; payments**; prior to November 15 of each year, each local school board of a local school district shall collect the information listed below for the 1<sup>st</sup> Reporting Period (40<sup>th</sup> Day Report) (second Wednesday in October) and report to the State Transportation Director five business days after the 1<sup>st</sup> Reporting Period (40<sup>th</sup> Day Report) the following information:

1. The number and designation of school bus routes in operation in the school district;
2. The number of miles traveled by each school bus on each school bus route, showing the route mileage in accordance with the type of road surface traveled;
3. The number of students transported on the 1<sup>st</sup> Reporting Period (40<sup>th</sup> Day Report) the second Wednesday in October of school and adjusted for special education students on December 1;
4. The projected number of students to be transported in the next school year;
5. The seating capacity, age and mileage of each bus used in the district for student transportation; and
6. The number of total miles traveled for each school district's per capita feeder routes.
7. Other reporting requirements as established by the State Transportation Director.

### **SEMI ANNUAL BUDGET/EXPENDITURE REPORTS**

This report will be generated from the Uniform Chart of Accounts (UCOA).

### **FINAL BUDGET/EXPENDITURE REPORTS**

This report will be generated from the Uniform Chart of Accounts (UCOA).

### **UNLIQUIDATED OBLIGATIONS**

School districts will be allowed to establish year-end encumbrances for existing obligations incurred on or before June 30.

Districts may file a List of Unliquidated Obligations; form PED-568-05 with the year-end expenditure report by July 15.. The List of Unliquidated Obligations must be based on valid encumbrances of products or services, received by June 30 and must be paid by July 31. The list of unliquidated obligations will allow districts to carryover prior year funds to cover the obligations incurred. Salary and Benefits cannot be identified as valid encumbrances and will not be carried forward as obligations.

Year-end obligations must meet the following criteria to be eligible to be encumbered:

1. Obligation must have been incurred prior to June 30 and paid for after July 1.
2. Sufficient approved year-end budget authority must exist in appropriate object(s). Budget authority for Pupil Transportation is at the object level.
3. Purchase order must be issued by June 30. (Copy must be attached to form PED-568-05.)
4. Between July 1<sup>st</sup> and before August 1<sup>st</sup> a Budget Adjustment Request must be processed to establish budget authority for the unliquidated obligations.

**Salary and Benefits, Transportation Bus Contractor Services (55112) and rental fees (54620) costs incurred in any fiscal year must be paid in the year they were incurred and may not be carried forward.**

# SECTION 8

## BUDGET ADJUSTMENT REQUESTS

### DEFINITION

The Program Budget Adjustment Request (BAR) electronic process provides the district with a method to adjust the budget during the course of the year.

### PURPOSE

The Program Budget Adjustment Request (BAR) allows the district to request any adjustment of the approved budget. This option will provide for any documented changes to the transportation budget.

### GUIDELINES

The Program Budget Adjustment Request (BAR) must be submitted electronically to the PED School Transportation Division for:

- a. **Increases or decreases in budget.** Changes from projected transportation formula to the final transportation distribution formula will result in changes to the transportation distribution. A **BAR** is required.
- b. **Changes in capital outlay for school buses object 57312.**
- c. **Budget transfers from function 13 to function 2700. No transfer from function 2700 to function 13 will be authorized.**
- d. **No approval for Budget Increases will be made without complete justification and support documentation.**

Submit original form after monthly board meeting as required. BAR forms reflecting original signatures will be processed. Photocopies or faxed copies will not be processed.

### PROCESS

- I. When an adjustment to the original budget is necessary, the district submits a BAR to the Public Education Department,
- II. The BAR review and approval process is as follows:
  - A. The appropriate justification (back-up documentation) is submitted to the School Transportation Bureau for review and recommendation.
  - B. The BAR and appropriate justification are then processed for budgetary impact and final approval.

# SECTION 9

## CHARTER SCHOOLS

### Introduction

Charter Schools are established in accordance with section 22-8b-1 to 22-8b-15, NMSA, 1978. A Charter School shall negotiate with a local school district to provide transportation to eligible students in accordance with the provisions of the Public School Code; Applicable Motor Vehicle Code; Federal Requirements; State Education Regulations; and the Program Support and Pupil Transportation Division Policies and Procedures. The local school district, in conjunction with the Charter School, may establish a limit for student transportation to and from the Charter School site not to extend beyond the school district boundary unless an approved transportation boundary agreement is in place.

### Administration

#### Local School District/Charter School Responsibilities

Charter School shall negotiate with a local school district to provide transportation for eligible students as defined in section 2 of Supplement 19. Transportation services are confined within the limits established by the Public School District, in conjunction with the Charter School. The transportation limits shall be within the school district boundary or as adjusted in accordance with Regulation 6.42.2 NMAC, **Temporary Transportation Boundary Agreements**.

Charter Schools shall negotiate to establish transportation for eligible students by means of a school bus and/or a per capita feeder agreement only. The Charter School may elect not to provide transportation services.

If the to-and-from transportation for the charter school can be provided by utilizing the existing to-and-from services and/or resources, the cost to the charter school shall not exceed the amount generated by the eligible student allocation. Additional cost for to-and-from services beyond that level shall be paid by the charter school as negotiated with the school district, unless the services can be provided at no additional cost to the school district or the school district chooses to cover the additional cost from the transportation allocation.

The School District shall determine the routes and stops in accordance with section 22-16-4 NMSA 1978. A request may be made to the State Transportation Director for new equipment based upon the conditions outlined in section 5 of Supplement 19.

## **Existing Charter Schools Providing School Bus Services**

A separate budget for the Charter School shall not be submitted to the Public Education Department for review and approval, provided that the agreement indicates that the school district is authorized to maintain the amounts generated by the charter school to cover the costs for the to-and-from transportation services. If the agreement does not specify those terms, then the school district and the charter school shall submit a Budget Adjustment Request in the amount generated by formula for the existing charter school. The charter school shall submit a copy of the agreement with the budget adjustment request.

If the school district and the charter school are unable to negotiate the transportation services in good faith, the school district and the charter school shall submit a Budget Adjustment Request in the amount generated by formula for the charter school. The charter school shall justify to the State Transportation Director, how the charter school will provide to-and-from school transportation services.

## **Parent or Guardian Reimbursement**

The School District should apply the local board rate for per capita feeder reimbursement to those students in Charter Schools. This reimbursement will apply where school bus transportation services are not available or impractical because of distance, road conditions, sparseness of population or other conditions agreed upon by the School District and Charter School.

When per capita feeder services are utilized, the governing body of the charter school must approve an agreement with the parent or guardian, which defines the terms of the agreement for service, the contract amount, and the responsibilities of the parent. The parent or guardian must provide proof of insurance and shall maintain the insurance for the term of the agreement.

The governing body of the charter school is responsible for developing a system of accountability to ensure that services are rendered according to the terms of the agreement. The local board shall ensure that payment is not made until services have been rendered.

## **Reporting Procedures and Requirements**

The Charter School shall provide information required by the School District. The School District is responsible for the Transportation Procedures and Reporting requirements in section 7 of Supplement 19.