

**DEPARTMENT OF EDUCATION**  
**SUPERINTENDENT OF PUBLIC INSTRUCTION**

**STATE AID FOR TRANSPORTATION OF SCHOOL CHILDREN**

(By authority conferred on the superintendent of public instruction by sections 1701 and 1703 of 1976 PA 451, MCL 380.1701 and MCL 380.1703; sections 9 and 69 of 1990 PA 187, MCL 257.1809 and MCL 257.1869; and Executive Reorganization Order Nos. 1996-6 and 1996-7, MCL 388.993 and MCL 388.994)

**R 388.371 Definitions.**

Rule 1. As used in these rules:

(a) "Act" means the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to MCL 388.18971.

(b) "Center" means the center for educational performance and information as defined in the act.

(c) "Department" means the department of education.

(d) "Eligible pupil" means a pupil enrolled in the intermediate school district, local school district, or public school academy.

(e) "Eligible vehicle" means a type I school bus, a type I premium school bus, a type II school bus, or, if the department grants a waiver requested by the intermediate school district, local school district, or public school academy, a sedan, a station wagon, or a passenger van.

(f) "Specialized transportation services" means transportation services provided in vehicles for the exclusive use of special education pupils.

(g) "Type I premium school bus" means a school bus with a gross vehicle weight rating of more than 10,000 pounds and a capacity of more than 66 passengers.

(h) "Type I school bus" means a school bus with a gross vehicle weight rating of more than 10,000 pounds that is not a type I premium school bus.

(i) "Type II school bus" means a school bus with a gross vehicle weight rating of 10,000 pounds or less.

History: 1987 AACCS; 2012 AACCS; 2018 AACCS.

**R 388.372 Rescinded.**

History: 1987 AACCS; 2012 AACCS.

**R 388.373 Rescinded.**

History: 1987 AACCS; 1995 AACCS.

**R 388.374 Reporting requirements for specialized transportation services.**

Rule 4. (1) For each day during the first full school week in which an intermediate school district, local school district, or public school academy counts pupils in membership under section 6 of the act, MCL 388.1606, for each vehicle exclusively providing special education pupil transportation for which the intermediate school district, local school district, or public school academy requests funding, the intermediate school district, local school district, or public school academy shall collect all of the following information on the specialized transportation log known as “SE-4159-SL”:

(a) The fleet number and route number of the vehicle.

(b) The miles the vehicle travels each day transporting special education pupils to schools, starting at the bus storage area or beginning of the route and ending at the school building where the pupils exit or other storage area.

(c) The number of special education pupils actually transported to school each day.

(d) The name of the aide, if any, serving on the special education vehicle.

(2) The intermediate school district, local school district, or public school academy shall retain the forms for 3 years.

History: 1987 AACS; 2012 AACS; 2018 AACS.

**R 388.375 Rescinded.**

History: 1987 AACS; 1995 AACS.

**R 388.376 Rescinded.**

History: 1987 AACS; 1995 AACS.

**R 388.377 Rescinded.**

History: 1987 AACS; 2012 AACS.

**R 388.378 Reporting costs.**

Rule 8. By October 7 of each year, an intermediate school district, local school district, or public school academy shall file with the center the transportation expenditure report known as “SE-4094” in the manner prescribed by the center.

History: 1987 AACS; 2018 AACS.

**R 388.379 Reports of purchase of school buses.**

Rule 9. (1) Subject to subrule (2) of this rule, an intermediate school district, local school district, and public school academy shall report all of the following information as

to a purchased school transportation vehicle on the school bus inventory system known as “SE-4107”:

- (a) The date the completed vehicle was accepted for use.
  - (b) The name of the chassis manufacturer.
  - (c) The name of the body manufacturer.
  - (d) The manufacturer's rated capacity of the vehicle.
  - (e) The engine number.
  - (f) The bus fleet number.
  - (g) The cost to the intermediate school district, local school district, or public school academy, including the interest to be paid.
  - (h) Use by the intermediate school district, local school district, or public school academy as a regular vehicle, as a special education vehicle, or as a combination of the two.
- (2) An intermediate school district, local school district, or public school academy shall not include a sedan, a station wagon, or a passenger van on “SE-4107.”

History: 1987 AACCS; 2018 AACCS.

### **R 388.380 Amortization allowances.**

Rule 10. (1) For each eligible vehicle used to transport eligible pupils, an intermediate school district, local school district, or public school academy shall determine and include in its state aid base additional allowances for vehicle rental and amortization. The allowances must not include more vehicles than the number determined to be necessary, plus the allowable number of spare vehicles.

(2) An intermediate school district, local school district, or public school academy shall determine the annual amortization allowance as follows:

(a) For a type I school bus, divide the amortization cost base by 7. An intermediate school district, local school district, or public school academy shall include this annual allowance each year it uses the bus to transport eligible pupils for a maximum of 7 years.

(b) For a type I premium school bus, divide the amortization cost base by 10. An intermediate school district, local school district, or public school academy shall include this annual allowance each year it uses the bus to transport eligible pupils for a maximum of 10 years.

(c) For a type II school bus, a sedan, a station wagon, or a passenger van, divide the amortization cost base by 5. An intermediate school district, local school district, or public school academy shall include this annual allowance each year it uses the bus or vehicle to transport eligible pupils for a maximum of 5 years.

(d) For a rehabilitated school bus that has been rebuilt by an agency approved by the department, divide the amortization cost base by 5.

(3) Upon approval by the department, for a school bus or pupil transportation vehicle that an intermediate school district, local school district, or public school academy expects to exceed 100,000 miles within the first 4 years of operation, the intermediate school district, local school district, or public school academy may substitute an optional 4-year amortization schedule as an alternative to subrule (2)(a), (b), and (c) of this rule. An intermediate school district, local school district, or public school academy shall declare this option the first reporting period after purchase.

(4) The amortization cost base for each vehicle is as follows:

(a) For school buses and other transportation vehicles that an intermediate school district, local school district, or public school academy purchases new and uses to transport pupils, the amortization cost base is the purchase price of the vehicle and attached equipment, including interest, adjusted by any gain or loss on buses or other vehicles traded in or sold.

(b) For a school bus that has been rebuilt, the amortization cost base is 50% of the annual amortization allowances that would remain if the bus were continued in use without rebuilding, plus the rebuilding charges.

(c) For a used bus purchased by an intermediate school district, local school district, or public school academy, the amortization cost base is the original invoice cost for the bus and attached equipment, plus any interest that the purchasing intermediate school district, local school district, or public school academy is to pay, adjusted by any gain or loss on a bus or buses traded in or sold. If the purchasing intermediate school district, local school district, or public school academy cannot determine the original invoice cost, the department may provide a substitute invoice cost based on costs of comparable vehicles manufactured during the same year.

(d) If an intermediate school district, local school district, or public school academy sells a bus before fully amortizing it, the maximum gain that the intermediate school district, local school district, or public school academy shall deduct from the purchase price of another vehicle is the total annual amortization allowances granted to the intermediate school district, local school district, or public school academy.

(5) If a type I school bus or a type II school bus that was purchased new by an intermediate school district, local school district, or public school academy shows evidence of a probable need for repairs that is beyond good economic practice, the intermediate school district, local school district, or public school academy may remove the bus from service subject to the approval of the department. When an intermediate school district, local school district, or public school academy removes a school bus from service, it may maintain the bus on its inventory and receive annual allowances for amortization the same as if it continued to use the bus. An intermediate school district, local school district, or public school academy shall not include a bus removed from service in the determination of any other allowance. The intermediate school district, local school district, or public school academy may sell the bus but no Michigan intermediate school district, local school district, or public school academy shall use it for pupil transportation. The intermediate school district, local school district, or public school academy shall have used the bus to transport eligible pupils for not less than 4 years and the bus must have traveled not less than 150,000 miles. The intermediate school district, local school district, or public school academy shall make available to the department evidence documenting acceptable regular preventive maintenance procedures and repair history throughout the life of the vehicle.

History: 1987 AACCS; 2018 AACCS.

**R 388.381 Allowance for private contractors or common carriers.**

Rule 11. (1) An intermediate school district, local school district, or public school academy providing transportation to and from school by employing private contractors or

common carriers and requesting funding for the transportation shall provide the information requested in R 388.374 and R 388.379.

(2) The department shall determine the allocation for amortization under this rule.

History: 1987 AACS; 2012 AACS; 2018 AACS.

**R 388.382 Rescinded.**

History: 1987 AACS; 2012 AACS.

**R 388.383 Rescinded.**

History: 1987 AACS; 2012 AACS; 2018 AACS.

**R 388.384 Rescinded.**

History: 1987 AACS; 2018 AACS.

**R 388.385 Rescinded.**

History: 1987 AACS; 1995 AACS.

**R 388.386 Rescinded.**

History: 1987 AACS; 2012 AACS.

**R 388.387 Rescinded.**

History: 1987 AACS; 2012 AACS.

**R 388.388 Rescinded.**

History: 1987 AACS; 2012 AACS.

**R 388.389 Rescinded.**

History: 1987 AACS; 1995 AACS.