

702 KAR 5:020. Program cost calculation.

RELATES TO: KRS 156.031, 157.370

STATUTORY AUTHORITY: KRS 156.070, 157.320, 157.370

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: KRS 156.031 requires that administrative regulations relating to statutes amended by the 1990 Kentucky Education Reform Act be reviewed, amended if necessary, and resubmitted to the Legislative Research Commission prior to December 30, 1990; and KRS 157.370 sets forth the basic statutory framework by which local school districts are to be reimbursed from the Fund to Support Education Excellence in Kentucky for transportation costs. This administrative regulation implements and interprets, where necessary, those statutory provisions, in order to set out the method and steps for completion of the calculation of the districts' pupil transportation program costs.

Section 1. A county district's net transported pupil density shall be determined by dividing the district's net ADA for pupils transported one (1) mile or more to school by the number of square miles in this district's primarily served area.

Section 2. The net ADA for a county district's pupils transported one (1) mile or more to school shall be determined from the local superintendent's annual statistical report for the district.

Section 3. The number of square miles in the primarily served area of a county district shall be determined by deducting from the total square mile area of the county, the square mile area of any independent district located within the county, and by deducting the square mile area of any portion of the district located more than one (1) mile from one (1) of the district's pupil transportation vehicle routes.

Section 4. A county district's gross transported pupil density shall be used in constructing a graph required by KRS 157.370. This density shall be determined by dividing the district's gross ADA for all pupils transported as shown on the superintendent's annual statistical report for the district by the number of square miles in the district's primarily served area.

Section 5. An independent district's net transported pupil density shall be determined by dividing the district's net ADA for pupils transported one (1) mile or more to school by the number of square miles in this district's primarily served area.

Section 6. The net ADA for an independent district's pupils transported one (1) mile or more shall be determined from the local superintendent's annual statistical report for the district.

Section 7. The number of square miles in the primarily served area of an independent district shall be determined by deducting from the total square mile area of the district, the square mile area of any portions of the district that are located more than one (1) mile from one (1) of the district's pupil transportation vehicle routes.

Section 8. An independent district's gross transported pupil density shall be used in constructing the graph required by KRS 157.370. This density shall be determined by dividing the district's gross ADA for all pupils transported as shown on the local superintendent's annual statistical report for the district by the number of square miles in the district's primarily served area.

Section 9. In calculating the amount to be added each year to the district's pupil transportation program cost for pupil transportation vehicle depreciation, only those wholly district-owned vehicles shown on the district's pupil transportation school bus inventory for

each year as having a rated pupil seating capacity of ten (10) or more, as meeting the Kentucky Minimum Specifications for School Buses; Revised, for the model year in which the vehicles were manufactured, and as remaining within the applicable depreciation schedule, shall be included. School buses used exclusively for activity purposes or that are not properly equipped and maintained in safe and satisfactory condition for the transportation of pupils shall not be included in the district's pupil transportation vehicle depreciation schedule.

Section 10. In calculating the depreciation cost for a new school bus purchased by a district during any school year, the model year of the vehicle chassis shall be considered to be the model year of the vehicle with the exception that, for inventory and calculation purposes by the Division of Pupil Transportation, all school buses purchased new and shown by the district as having been added to its school bus inventory during the school year shall be considered to be of the same model year regardless of when said vehicles were delivered during that school year or manufacturer's model year designation. The model year of all said vehicles to be the same as the year shown on the cover of the booklet containing the Kentucky Minimum Specifications for School Buses; Revised, as referenced by 702 KAR 5:060, that were in effect during the first half of the school year in which said vehicle was added to the district's inventory.

Section 11. The annual depreciation cost for any school bus shown on the district's annual school bus inventory that is within the applicable depreciation schedule shall not be calculated unless said vehicle is maintained by the district in a safe and satisfactory condition, as evidenced by safety inspections performed pursuant to 702 KAR 5:030, for transporting pupils to and from school.

Section 12. The amount to be added each school year to the district's pupil transportation program cost for pupil transportation vehicle depreciation shall be determined by:

(1)

(a) Multiplying the number of qualifying diesel powered vehicles of the same type and rating purchased new prior to the 1985 model year and gasoline powered vehicles of the same type and rating purchased new prior to the 1987 model year, and less than nine (9) model years old, by one-eighth (1/8) of the bid price of a school bus of the same type and rating purchased through the state bid price contract plan in the same school year. The annual depreciation amount for each school bus shall be calculated to the nearest whole dollar.

(b) Starting with the 1987 model year vehicles and including the 1985 and 1986 model year diesel powered vehicles, the amount calculated for annual depreciation on each vehicle of the same type and rating purchased new through the state bid price contract plan shall be determined by the following depreciation schedule:

| YEARS | DEPRECIATION RATE |
|---------------|----------------------------|
| 1 and 2 | 12% of the state bid price |
| 3 through 8 | 10% of the state bid price |
| 9 and 10 | 8% of the state bid price |
| 11 through 14 | 6% of the state bid price |

(c) A district that purchases a new school bus during any school year of a type and rating that was not purchased through the state bid price contract plan during that same school year shall furnish the Division of Pupil Transportation with certain qualifying information including the price paid for said vehicle from which said division shall establish a reasonable price to be used for the purpose of calculating the annual

depreciation on said vehicles based on the number of seats and other major cost factors.

(d) The amount calculated for the depreciation for all qualifying school buses on the district's inventory shall be determined in the manner prescribed in subsection (1) of this section. The model year of the vehicle chassis shall determine the number of years that these vehicles remain within the applicable depreciation schedule except where exceptions are shown in other sections of this administrative regulation.

(2) Whenever a district purchases a used school bus of a model year that would place it within the applicable depreciation schedule and which meets the safety requirements of the Kentucky Minimum Specifications for School Buses; Revised, for the model year in which the vehicle was manufactured, certain qualifying information and the price paid for said vehicle shall be reported to the Division of Pupil Transportation. Depreciation for said vehicle shall be calculated for each school year for which said vehicle remains within the applicable depreciation schedule on the same basis as a vehicle of the same type and rating purchased through the state bid price contract plan during that particular model year. In no case shall this amount exceed the annual amount of depreciation calculated for a vehicle of the same model year and rated pupil seating capacity category that was purchased new through the state bid price contract plan. For inventory and calculation purposes by the Division of Pupil Transportation, the model year of the older component, either chassis or body, shall be considered to be the model year of the vehicle and shall determine the number of years that said used vehicle remains within the applicable depreciation schedule.

(3) Whenever a district purchases a new school bus chassis and has its district-owned used school bus body installed thereon or purchases a new school bus body and has it installed on its district-owned used school bus chassis, certain qualifying information and the price paid for said new component shall be reported to the Division of Pupil Transportation. For inventory and calculation purposes by the Division of Pupil Transportation, the model year of such vehicle shall be considered to be the model year of the older component, chassis or body, and the depreciation shall be calculated for the number of years the vehicle remains within the applicable depreciation schedule on the same basis as a new vehicle of the same purchased through the state bid price contract plan during that particular model year.

(4) The amounts calculated for school bus depreciation under subsections (1), (2), and (3) of this section shall be added together to make up the district's annual cost for pupil transportation vehicle depreciation.

Section 13. The final step in the district's tentative cost calculation shall be made by multiplying the district's graph adjusted cost per pupil per day by the aggregate number of days attendance of the district's pupils transported one (1) mile or more to school.

Section 14. The graph adjusted pupil transportation cost per pupil per day shall be determined by applying the district's transported pupil density of the graph as provided in KRS 157.370.

Section 15. The aggregate number of days the district's pupils were transported one (1) mile or more to school shall be determined by multiplying the average daily attendance of these pupils by the number of days the district's schools were in session up to the number required under the Fund to Support Education Excellence in Kentucky.

Section 16. When the net average daily attendance of T-1 and T-5 transported pupils in any district for the first two (2) months of the current school year is greater than it was for the first two (2) months of the previous school year, the district is eligible to apply for an adjustment for the current year increase.

Section 17. Application for an adjustment increase or a report on the absence of an increase shall be made by each district board prior to December 1.

Section 18. The net average daily attendance of the district's T-1 and T-5 transported pupils computed for the first two (2) months of the previous school year shall be compared with the same two (2) month period of the current school year and the percent of growth determined.

Section 19. The district's tentative formula adjusted cost for pupil transportation shall then be multiplied by the percent of growth to determine the additional cost to be added as a current year increase.

Section 20. The calculated amount for current year increase shall then be added to the district's tentative pupil transportation cost calculation to make up the district's final formula adjusted cost for pupil transportation for the current school year.

Section 21. During the school year in which any independent school district starts to provide pupil transportation when said district's schools open, the district's adjustment for current year growth shall be calculated by multiplying the district's net average daily attendance of T-1 and T-5 transported pupils for the first two (2) months that the district's schools are in session by the average calculated cost per pupil per year for all independent school districts as shown in the pupil transportation tentative cost calculations bulletin dated for that school year. The amount calculated for growth shall be the only pupil transportation program cost considered for program allotment purposes for that school year.

Section 22. During the school year in which any independent school district starts to provide pupil transportation after said district's schools have been in session for two (2) months or more, there shall be no adjustment calculated for current year growth for program allotment purposes for that school year.

Section 23. During any school year following the school year in which any independent school district started to provide pupil transportation that the average daily attendance for the first two (2) months that the district's schools were in session shows a growth in T-1 and T-5 transported pupils of 100 percent or less, the adjustment for current year growth shall be calculated as provided in Sections 16, 17, 18, 19, and 20 of this administrative regulation. If the district's growth in T-1 and T-5 transported pupils for the first two (2) months shows a growth of more than 100 percent, the adjustment for current year growth shall be calculated first as provided in Sections 16, 17, 18, 19, and 20 of this administrative regulation; and secondly, by multiplying the net increase in the average daily attendance of T-1 and T-5 transported pupils by the average calculated cost per pupil per year for all independent districts as shown in the pupil transportation tentative cost calculation bulletin dated for that school year. The lesser of the two (2) amounts shall then be added to the district's pupil transportation tentative cost calculation for allotment purposes.

(702 KAR 005:020. 1 Ky.R. 1049; 2 Ky.R. 242; eff. 10-8-1975; 9 Ky.R. 1306; eff. 7-6-1983; 10 Ky.R. 1176; eff. 6-28-1984; 12 Ky.R. 1854; eff. 7-2-1986; 17 Ky.R. 432; eff. 10-14-1990; Crt eff. 11-16-2018; Crt eff. 6-9-2025.)