

**APPROPRIATE USE OF FUNDS
GUIDELINES FOR THE PURCHASE OF BUSES**

In general, the Michigan Department of Education (MDE), Office of Special Education and Early Intervention Services (OSE-EIS) has made the determination to allow for the expenditure of Part B, Section 611, **IDEA ARRA** funds on the purchase of buses in order to improve the programs and/or services provided to Students with Disabilities. The provision is made available in IDEA under "Related Services", Section 300.34(c)(16). The following will provide Intermediate School Districts (ISDs), Local Education Agencies (LEAs) and Public School Academies (PSAs) with guidance and the process that must be followed when requesting to use the Part B, Section 611, IDEA ARRA funds for the purposes of purchasing buses.

ISDs, LEAs and PSAs can request to purchase a special or adaptive school bus but not vans or cars. A school bus is defined in the Pupil Transportation Act (PA187 of 1990) as a "motor vehicle with a manufacturers' rated seating capacity of 11 or more including the driver, used for the transportation of preprimary, primary or secondary school pupils to or from school or school-related events". In addition, the Michigan State Police, School Bus Inspection Unit has indicated that ISDs, LEAs and PSAs may utilize a multifunction school activity bus (MFSAB) that meets all the design and construction specifications of a school bus for the transportation of students with disabilities. The cost of a MFSAB is relatively the same as a new 8 to 10 passenger van, but it provides the safest form of transportation for students. In addition, a MFSAB does not require operators to comply with Commercial Driver's License requirements.

Any black and yellow school buses purchased with Part B, Section 611, IDEA ARRA funds must be placed on the ISDs, LEAs or PSAs SE-4107 bus inventory and must be used exclusively for specialized transportation services for the amortization period of the vehicle. Any MFSAB purchased with Part B, Section 611, IDEA ARRA funds must remain in the specialized transportation fleet and used exclusively for the transportation of students with disabilities for the amortization life of the vehicle.

STATE REQUIREMENTS AND PROCESS

Prior to an ISD, LEA or PSA spending or recoding Part B, Section 611, IDEA ARRA funds for the purchase of buses (that will be paid for in part or full with Federal, Part B, Section 611, IDEA ARRA funds) the ISD, LEA, or PSA must receive prior approval of the expenditure(s) from the MDE, OSE-EIS per 2 CFR Part 225, Appendix B, 15.b. Requests for approval of Part B, Section 611, IDEA ARRA funds for the purpose of purchasing buses must be submitted to the MDE, OSE-EIS through the Intermediate School District and the Michigan Electronic Grant System (MEGS) following the process outlined below.

Approval – Instructions, Requirements and Process:

The following **must** be submitted to MDE, OSE-EIS , via MEGS, in order for the OSE-EIS to consider providing approval for the purchase of buses that will be paid for, in part or fully with Part B, Section 611, IDEA ARRA funds:

Step 1:

The ISD, LEA or PSA **must**:

- Create an amendment (if the application has already been approved) within MEGS for the Fiscal Year 2009-2010 ARRA Special Education Flowthrough Application
- Complete a capital outlay request for approval to purchase a bus. The request **must** include:
 - A justification as to how the purchase of the bus will improve the programs and services provided to Students with Disabilities
 - A description of the Bus that will be purchased. For example size and whether it is a multi-purpose bus
 - The addition or amendment of a program design outlining the programs and service being provided to relate to the associated budget item
 - A budget amendment to account for the purchase of the bus in the appropriate fiscal year

Step 2:

Submit the amendment to the MDE, OSE/EIS who will:

- Complete a thorough review of the request including an evaluation of the description of how the purchase of the bus will improve the programs and/or services for students with disabilities
- Complete and/or apply any other review criteria/requirements/procedures as deemed necessary
- Provide a written response in the grant checklist indicating approval or denial of the proposed project costs and associated expenditures