

Specialized Transportation Aid Eligibility and Funding

June 11, 2019

Introduction

There are two state categorical aids available to Wisconsin LEAs for the cost of transporting students with individualized education plans (IEPs). A student with an IEP can be transported on a regular bus route with their peers and be counted for Pupil Transportation Aid. There is no legal requirement that a student must be transported on a separate route simply by virtue of having an IEP—in fact, separating such a student could violate their rights under state and federal laws to a free appropriate public education in the least restrictive environment.

For those students whose IEPs specify transportation needs, a district may provide specialized transportation and have a portion of those costs included in their overall costs eligible for Special Education and School-Age Parents Aid.

Specialized Transportation Funding

DPI's policy on funding for the transportation of special education students is described in guidance from the Special Education Team, available at <https://dpi.wi.gov/sites/default/files/imce/sped/pdf/spec-ed-transportation-overview.pdf>. An LEA's excess costs of fulfilling the transportation needs of special education students, as prescribed by each student's IEP, are eligible for state Special Education Aid or IDEA grant funding. Those costs may include supplemental aides and services on a routine bus route. We encourage LEAs to include students with IEPs to be transported on a regular bus route with their peers; therefore support services for students with IEPs should be considered if that allows the student to be transported on the regular bus route. While the cost for transportation remains in Fund 10, these support services should be coded to Fund 27 and if the cost meets the requirements to be eligible for special education categorical aid the LEA is encouraged to claim that aid. This means it is possible for a student to be eligible for special education categorical aid for support services while being transported on the regular bus route and be eligible for Pupil Transportation Aid. A student who exclusively rides a specialized transportation route may not be counted for Pupil Transportation Aid.

A student's IEP may require they be transported on a specialized transportation route. A specialized transportation route is eligible for state Special Education Aid or IDEA grant funding if all the students on that route have IEPs requiring the transportation provided by that route. Eligible routes include:

1. Daily transportation to and from school.
2. Transportation for an off-site special education program, support service (e.g. occupational or physical therapy, adaptive physical education) or field trip.
3. Weekend transportation to and from a boarding home or state school.

The specific transportation costs eligible for state Special Education Aid are described in “Special Education and School-Age Parents Aid Eligibility,” available at https://dpi.wi.gov/sites/default/files/imce/sfs/pdf/SPED-SAP_Aid_Eligibility2019.pdf. Eligible costs should be coded in Fund 27 to the appropriate 256000-series function and are included in the LEA’s total costs for which it receives a prorated amount of aid in the following year.

Incidental Benefit

Under strict circumstances, a student without a disability, including a student experiencing homelessness, may utilize a specialized transportation route as an **incidental benefit** without disqualifying the costs of the route for state Special Education Aid or IDEA grant funding. This is only allowed in situations where the student without a disability is a member of the same household and is picked up in the same location as a student whose IEP requires specialized transportation. In addition, the route must not incur any additional costs for transporting the student without a disability, and they must not displace a student with a disability from the route. DPI will not be providing prior approvals for transporting students without disabilities—the LEA is responsible for maintaining any records to justify the eligibility of a route.

Accommodation for Students Experiencing Homelessness or Foster Care

The McKinney-Vento Act requires LEAs to provide transportation for students experiencing homelessness to their schools of origin. Similar to the McKinney-Vento Act, the Every Student Succeeds Act (ESSA) seeks to improve the educational stability of students who have been placed in foster care by ensuring students remain in their school of origin (school in which the student was enrolled at the time of or immediately prior to foster care). Foster care (also known as out-of-home care in Wisconsin) includes a variety of arrangements including include foster homes, treatment foster homes, group homes, shelter care facilities, residential care centers, and the homes of relatives other than parents.

In order to provide flexibility in rapidly changing circumstances and promote compliance with both Acts, DPI will permit an LEA to utilize a specialized transportation route on a short-term basis (up to 20 school days) to transport a student newly experiencing homelessness or foster care, without affecting the route’s eligibility for state Special Education Aid or IDEA grant funding. That student must not displace a student with a disability from the specialized route, and their addition must not cause significant disruption to the students with disabilities served by the route. **Any additional, short-term cost incurred by transporting the student newly experiencing homelessness or foster care must be allocated to Fund 10.** A long-term (more than 20 school days) arrangement for a student experiencing homelessness or foster care to utilize a specialized transportation route must meet the incidental benefit requirements for that route to remain eligible for state Special Education Aid or IDEA grant funding.

Specialized Transportation Examples

The following examples illustrate situations where specialized transportation funding may or may not be appropriate. However, it is ultimately the LEA’s responsibility to support its determination that a transportation cost is eligible for state Special Education Aid.

Example: A district owns a bus that has a wheelchair lift. This vehicle is used on a route that includes students without IEPs as well as one student with an IEP who uses a wheelchair.

- The presence of a wheelchair lift does not in and of itself make the route eligible for state Special Education Aid. The district should report the number of students transported on the route on its PI-1547 Pupil Transportation Report, including the student with the IEP. The entire cost of the route is coded to Fund 10.

Example: A district operates a route that transports several students with IEPs that require specialized transportation, as well as a few other students who live along the route.

- A route that can serve students with and without IEPs is not eligible for state Special Education Aid. The district should report the number of students transported on the route on its PI-1547 Pupil Transportation Report, including the students with IEPs. The entire cost of the route is coded to Fund 10.

Example: A student’s behavioral goals are such that their IEP requires specialized transportation accompanied by a sibling.

- An IEP may specify transportation with accompaniment by another student (e.g. as a peer mentor). Transporting the other student fulfills the IEP—it is not an incidental benefit subject to the requirements in the “Incidental Benefit” section of this document. The cost of transporting the other student would be supported by state Special Education Aid or IDEA grant funding, so they would not be reported on the PI-1547 Pupil Transportation Report.

Example: A district operates a home-to-school route that transports students with and without IEPs. The route drops them all off at the high school, except for one student who continues to a neighboring district as required by their IEP.

- The district may break the route into two parts. The home-to-school route would be coded to Fund 10 and all the students dropped off at the high school reported on the district’s PI-1547 Pupil Transportation Report. Only the portion of the route from the high school to the neighboring district would be eligible for state Special Education Aid and coded to Fund 27, project 011; that student would not be reported on the PI-1547.

Example: A district contracts with a parent to provide transportation for a student who has an IEP requiring specialized transportation.

- The cost of reimbursing the parent is eligible for state Special Education Aid.

Example: A special education student with transportation identified in the student’s IEP received specialized transportation at the beginning of the year, but during the year no longer needed that support and is switched to a regular bus route. Is the cost for transporting the student eligible for special education aid for specialized transportation and eligible for regular pupil transportation aid for the regular bus route even though both took place in the same year?

- Yes, in this example the student is eligible for special education aid for specialized transportation and eligible for regular pupil transportation aid because the student changed from specialized transportation to regular transportation based on IEP changes. However a student exclusively receiving special or additional transportation all year could not also be counted for regular transportation aid.

Example: A student's IEP allows them to ride the regular bus route with their peers; however their IEP identifies that they need a 1:1 aide while on the bus. Is the cost of the student's bus aide eligible for special education categorical aid and the student is eligible for pupil transportation aid?

- Yes, the cost of the bus aide is eligible for special education categorical aid and the student may be counted for pupil transportation aid. We encourage LEAs to include students with IEPs to be transported on a regular bus route with their peers. If the 1:1 bus aide assists in making this possible, is appropriately licensed, and is part of the student's IEP, the cost for the bus aide is a Fund 27 cost and eligible for the special education categorical aid. Note, the cost for transportation remains in Fund 10 and is not eligible for special education categorical aid.

Example: A rural district has a contracted route serving one student as required in their IEP. The route is 40 miles long, round-trip. When it gets back to town, the route passes the home of a student living one mile from school whose parent would like to pay for transportation.

- The district has two choices:
 - It may serve the parent-paid student by diverting another route, maintaining the state Special Education Aid eligibility of the original route.
 - It may pick up the parent-paid student and lose the state Special Education Aid eligibility of the route. The district should report the student with an IEP on its PI-1547 Pupil Transportation Report, and the entire cost of the route is coded to Fund 10. It should also be prepared to explain how the district had originally determined the student with a disability's needs were significant enough to warrant a separate route, but not so significant that the parent-paid student without a disability could be picked up.
- While this may seem strict, we encourage students with IEPs to be transported on a regular bus route with their peers. It is only when an IEP team feels the student would benefit from specialized transportation that the student is removed from a regular bus route. When a student has specialized transportation needs stated in their IEP, it is an intentional IEP-driven decision to separate the student from their peers; therefore the notion of picking up other students along the way with the specialized transportation route undermines that principle.

Prior Approvals

In order to be eligible for state Special Education Aid, prior approval is required for:

- **Purchase or replacement of a vehicle utilized exclusively for specialized transportation.** The LEA should describe the vehicle to be purchased, its estimated or actual price, and the LEA's justification for purchase. It must also certify that the vehicle will be used exclusively for transporting students with IEPs requiring specialized transportation.
- **Purchase or replacement of accessibility equipment to fulfill particular students' IEPs costing \$10,000 or more.**
- **Provision of student lodging and meals in lieu of transportation.** The LEA must demonstrate that the needs of a student under their IEP will be met through providing room and board, and that it will be at a lower cost than physically transporting the student.

If the LEA plans to purchase a vehicle within a given fiscal year (between July 1 and June 30), this form must be submitted by June 15 of that fiscal year: <http://bit.ly/spedvehiclerequest>. If prior approval is not received, the vehicle will not be eligible for state special education categorical aid. Requests that are

submitted after June 15, will not be accepted. If the deadline is missed, the LEA has the option of adding the vehicle to their IDEA grant.

Requests that are approved will be followed with an approval letter from DPI's Special Education Team. The LEA will need to keep this letter as part of their procurement process and make it available upon the request from auditors.

Vehicle Purchase Accounting

LEAs may elect to purchase a vehicle outright or under a lease-to-own agreement. The accounting of these purchase methods differs:

- With an outright purchase, the full price of the vehicle is recorded as an expenditure in the year the vehicle is purchased, coded to account 27E-256300-550-011. Depreciation costs are not recognized for state Special Education Aid eligibility.
- With a lease-to-own purchase, entries are required in each year of the contract term:
 - In the first year, the full value of the vehicle is recorded twice, first as an expenditure coded to account 27E-256300-550-011, and second as a revenue coded to account 27R-000000-878.
 - In each year of the contract term, including the first, the actual payments of principal and interest are recorded as expenditures coded to accounts 27E-281000-678-019 (principal) and 27E-281000-688-019 (interest).

Vehicle Disposal or Change in Use

If the LEA disposes of a vehicle that was purchased in full or part with state Special Education Aid, or wishes to use it for non-special education purposes, it must decrease its aid-eligible transportation costs for the fiscal year in which the vehicle was disposed. The amount of that decrease is determined in one of the following ways:

- If the vehicle is sold, the sale price is used.
- If the vehicle is traded in for a new special education vehicle being purchased with prior approval, no decrease is required.
- If the vehicle is traded in for any other vehicle, the trade-in allowance stated in the purchase contract is used.
- If the vehicle is to be used for non-special education purposes, the fair market value is used.

That amount of transportation costs should be coded to project 019. If the amount exceeds the LEA's total transportation costs, contact the School Financial Services consultant.

Further Information

If you have questions about specialized transportation and state Special Education Aid, contact the consultant on the DPI School Financial Services Team:

Roselynn Bittorf
roselynn.bittorf@dpi.wi.gov
608-267-9212

General questions about transporting special education students should go to your LEA's consultant on the DPI Special Education Team. A list of consultants is available at:

<https://dpi.wi.gov/sped/educators/local-performance-plans/contact>

More information on state special education aid is available on the DPI School Financial Services website:

<https://dpi.wi.gov/sfs/aid/special-ed/overview>

Updated June 11, 2019 Removed language regarding a district may not receive both Pupil Transportation and Special Education categorical aids for the same student in the same year; clarified that support services for students with IEPs transported on the regular bus route is Fund 27 and potentially aidable; updated Accommodation section to include foster care. rlb

Updated February 7, 2019 to reflect new vehicle approval process/link to form rlb

Updated July 23, 2018 to reflect new contact information and correct broken links. rlb

Updated September 1, 2015 to provide more detail on "Incidental Benefit," add "Accommodation for Students Newly Experiencing Homelessness," and "Pupil Transportation Aid."