

School Bus Purchase Program Fiscal Year 2022

Introduction

Pupil transportation service is required for all Ohio students in kindergarten through eighth grade who live more than two miles from their schools.¹ Many school districts also provide transportation for students in grades 9-12 and for students who live between one and two miles of their schools. In fiscal year (FY) 2020, 13,994 Ohio school buses were assigned to daily routes in the state, transporting over 767,000 students. These buses range in model year from 1984 to 2021, with 40.8 percent of school buses in regular use more than eight years old. Considering the age of many buses and the accumulation of miles, the School Bus Purchase Program strives to maintain a high level of safety and vehicle reliability by decreasing the average age of buses across Ohio.

State funding for pupil transportation helps offset the costs of transporting public (including community schools) and nonpublic students to and from school. In the recently enacted state budget, the General Assembly appropriated more than \$537 million in FY22 and \$555 million in FY23 through school foundation funding to support the operating expenses of pupil transportation. However, these appropriations do not address the cost of procuring and replacing the buses needed to transport Ohio students. Based on a review of data reported by Ohio school districts, for fiscal year 2020 the average operating cost to transport a student was \$1,077.09. On average, schools spend \$2,969.21 annually on maintenance per bus. Over the last three years, the average purchase price of a new school bus in Ohio was \$86,689.²

In acknowledgment of the purchase price and the need for new school buses, the state budget included a total of \$50 million for districts to purchase school buses in fiscal years 2022 and 2023.³

¹ Ohio Revised Code 3327.01

² Based on data provided by the Ohio Department of Public Safety, the average cost of a 2018-2021 model year school bus purchased by an Ohio school district was \$86,689.45.

³ Ohio Revised Code 3317.071

School Bus Purchase Program Requirements

The Department has developed the School Bus Purchase Program with the following goal in mind: Remove the oldest model year and highest mileage school buses used for regular route service in Ohio.

Under the program, the Ohio Department of Education will issue awards for school districts to purchase one or more buses. Each bus purchased will require the school district to remove one of the qualifying buses (on the approved list provided by the Department) from regular daily service. If more than one bus is purchased, an equivalent number of buses shall be removed from regular service.

Criteria for the Distribution of Funds

The Department will make funding available to school districts based on the following:

- The percentage of buses in each district that is at least eight years old with mileage greater than 96,000. Districts will be ranked by the number of qualifying buses as a percentage of their total fleet in regular route service.
- The Department will award the \$50 million to rank-ordered school districts until funds are exhausted.
- School districts will be awarded based on the following calculation: \$86,700 multiplied by the school district's FY19 State Share Index, with each district receiving at least \$45,000.⁴
- After awarding each district with one bus replacement, the Department will award a second allocation of buses starting again with the highest-ranked district. This will continue until all funds are exhausted. Districts receiving more than one new bus allocation must replace more than one old bus. For example, a district receiving two bus replacements must purchase at least two buses and remove from regular service at least two old buses.
- Funding not accepted during this allocation will be distributed in the next allocation award in the fall of FY23.

Timeline and Distribution of Funds

Districts awarded school bus purchase funds will be notified by the Department on or before Jan. 26, 2022. Districts that wish to accept the award will need to return the signed assurances document and a bus quote to the Department by June 30, 2022. If a district only accepts the funding for a partial award amount the allocation will be reduced accordingly.

School districts may begin utilizing funds provided under the program beginning on the date of the award letter. The program will NOT provide reimbursement for purchases made before Nov. 1, 2021. Funding will be available on Feb. 1, 2022, to districts that have accepted an award amount. Schools are required to obligate funds by June 30, 2023, and liquidate funds by Sept. 30, 2023.

⁴ Based on data provided by the Ohio Department of Public Safety, the average cost of a 2018-2021 model year school bus purchased by an Ohio school district is \$86,689.45. State Share Index refers to the percentage calculated under Ohio Revised Code Section 3317.017 for fiscal year 2019.

Grant Assurances and Requirements

School districts receiving funds under the School Bus Purchase Program must agree to the following:

1. Funds will be used to support the purchase of at least one school bus for each funding unit allocated after the date of the school district's award letter. Funds are restricted for this purpose;
2. Districts will provide documentation to the Ohio Department of Education verifying that the subsidy amount was used to purchase one or more school buses during the allowable timeframe. A receipt of sale and/or purchase documents will be submitted as verification. Verification must be submitted by Sept. 30, 2023, in a manner prescribed by the Ohio Department of Education;⁵
3. Districts will remove at least one school bus from regular service for each bus purchased; and
4. Districts will return funds provided under the program to the Ohio Department of Education if the school district fails to purchase the required bus(es) during the allowable timeframe.

⁵ The Ohio Department of Education reserves the right to request additional supporting documentation.