



STATE OF ALABAMA
DEPARTMENT OF EDUCATION



Eric G. Mackey, Ed.D.
State Superintendent of Education

July 29, 2024

MEMORANDUM

TO: City and County Superintendents of Education

FROM: Eric G. Mackey *EGM*
State Superintendent of Education

SUBJECT: 2024-2025 School Year Cost-Per-Mile Rate for Bus Trip Mileage Charges

The Alabama State Department of Education (ALSDE) cost-per-mile rate for school bus use for the 2024-2025 school year will be set at \$1.55. This rate applies to the use of school buses for athletics, field trips, Head Start, summer school, extended day, and all other non-funded route transportation. Outside agencies may be charged more than \$1.55 per mile at the school system's discretion.

This information should be communicated to schools and program coordinators early in the school year to assist staff with trip planning and budgeting. The rate was determined following a cost analysis of transportation expenditures statewide. The ALSDE will monitor fuel prices during the school year and will notify the school systems if a change in cost-per-mile charges is warranted. **New cost-per-mile rates are effective on August 1 of each school year.**

Revised accounting procedures for processing school bus mileage charges for the 2024-2025 school year are enclosed for your information. **Each school system must account for all extracurricular trips, including athletics, and other non-funded route transportation trips. All trips taken on activity buses are also subject to the cost-per-mile charges.**

State transportation funding may only be used for regular route transportation. School systems must reimburse the transportation account for mileage charges incurred for all non-funded route trips in accordance with ALSDE procedures. School systems that fail to properly charge for such trips will likely not have enough money to purchase fuel for their regular school bus routes and could be subject to a reduction in their FY 2025 Transportation Operations Allocation.

If additional information or assistance is needed, please contact Mr. Jerry Lassiter, Financial Administrator for Pupil Transportation, at (334) 694-4545.

EGM/JAL/FT

Enclosure

- cc: City and County Transportation Supervisors
- City and County Chief School Financial Officers
- Dr. Brandon Payne
- Mr. Chad Carpenter
- Mr. Jerry Lassiter
- Mrs. Sonja Peaspaner
- Mrs. Nancy Smith
- Mr. Billy Hollon
- Mr. Ethan Taylor
- Ms. Alisa Benson
- Mr. Ward Thigpen

FY24-3041

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Alabama State Department of Education
Revised Accounting Procedures for Processing School Bus Mileage Charges and Bus Driver Pay
For The 2024-2025 School Year

August 1, 2024

1. Each school system must use the cost-per-mile rate established by the Alabama State Department of Education (ALSDE). **The ALSDE cost-per-mile rate for the 2024-2025 school year is set at \$1.55.** This rate should be communicated to schools and program coordinators as soon as possible to assist with trip planning. The rate was determined following a cost analysis of transportation expenditures statewide. The ALSDE will monitor fuel prices during the school year and will notify the school systems if a change in cost-per-mile charges is warranted. **New cost-per-mile rates are effective on August 1 of each school year.**
2. Each trip should be charged to the school or applicable program based on the total mileage of the trip times the cost-per-mile rate. The bus driver's pay, if applicable, should be calculated and paid separately using the appropriate coding and should be shown as a "transfer out" on local school accounting records and a "transfer in" on central office records. **Each school system must account for all extracurricular trips, including athletics, and other non-funded route transportation trips. All trips taken on activity buses are also subject to the cost-per-mile charges.**
3. **For extracurricular trips, the amount calculated for each trip for cost-per-mile charges should be recorded as an expenditure by the local school to the (4150) function code, (391) object code, a (4400) or (4500) program code, and the appropriate cost center code. The central office should record the payment received to revenue code (8995) for Extracurricular Trip Mileage Charges with an (8995) funding source. Do not use revenue code (8995) or funding source code (8995) for the bus driver's pay.**
4. **School systems that transport for other school systems should record the mileage charge payment received to the (8997) revenue code for Other Transportation Mileage Charges and Miscellaneous Revenues with an (8997) funding source code. A special-use code should be utilized to differentiate payments from other school systems from payments from outside agencies. Payments received for bus driver pay should be coded to a (6660) revenue code and a (6001) funding source code. The school system paying for the use of the bus should code the expenditure with a (392) object code for Transportation by Other Providers.**
5. **For all non-funded route transportation, the amount calculated for each trip for cost-per-mile charges should be recorded as an expenditure to the appropriate function code such as Transition to Work (4131), and Head Start (4181), etc., a (391) object code, and the appropriate program and cost center codes. The central office should record the payment received to revenue code (8996) for Non-funded Route Transportation Mileage Charges with an (8996) funding source code. Do not use revenue code (8996) or funding source code (8996) for the bus driver's pay.**
6. **Use of buses by outside agencies may be charged at more than \$1.55 per mile at the discretion of each local board of education. The central office should record the payment received for mileage charges to revenue code (8997) for Other Transportation Mileage Charges and Miscellaneous Revenues with an (8997) funding source code. A special-use code should be utilized to differentiate payments from each source. Payments received for bus driver pay should be coded to a (621) revenue code and a (6001) funding source code.**
7. **Each school system will have the flexibility to pay all or a portion of the cost-per-mile charges on behalf of the schools or programs out of the General Fund. If this is done, charges should be recorded to the applicable function code, the (391) object code, the appropriate program and cost center codes and the (6001) funding source. The central office should record the payment received to revenue codes (8995) or (8996) and funding source codes (8995) or (8996). Do not use the (8995) or (8996) revenue codes or funding source codes for the bus driver's pay.**
8. **Funds in the (8995), (8996), and (8997) funding source accounts should be made available to the transportation program. Any funds remaining in these accounts at the close of the fiscal year may be carried over to the next fiscal year. These funds may only be used for transportation operations or fleet renewal in the same manner that Transportation Operations (1310) and Fleet Renewal (1320) funds are used. These fund sources are considered to be local, not state, and therefore cannot be transferred under Flexibility provisions.**
9. **Total revenues in the (8995) and (8996) funding sources should balance to the total expenditures in the (391) object code.**
10. **School systems that do not reimburse transportation for mileage charges in accordance with ALSDE procedures will be subject to a reduction in their Transportation Operations Allocation.**