**§ 3623-a. Allowable transportation expense.** For the computation of transportation aid pursuant to the requirements of subdivision seven of section thirty-six hundred two of this article and this part, allowable transportation expense shall include expenditures for aidable regular transportation as defined in section thirty-six hundred twenty-two-a of this part, provided that such expense shall be limited to expenditure items listed in subdivision one of this section as transportation operating expense and in subdivision two of this section as transportation capital, debt service and lease expense.

1. Transportation operating expense shall include base year expenditures for the following, provided that such transportation operating expense shall meet the requirements set forth in subdivision three of this section:

a. Computerized bus routing services;

b. Contracting for the transportation of any or all of the pupils attending school in such school district, other than a contract with a public service facility for such transportation operated on routes under franchise;

c. The use of public service facilities on routes operated under franchise or by a municipality or public authority for any or all of the pupils in the district, provided that the allowance for each pupil using such facilities shall not exceed two single fares a day for such pupil multiplied by the number of days which such pupil attends school;

d. The school district's share of the cost of a regional or joint transportation system;

e. The following expenses for district operated transportation systems, including operation of district owned or district leased school buses:

(1) salaries and retirement benefits related to transportation, except salaries and retirement benefits for assistant drivers on buses transporting nondisabled pupils;

(2) employers' social security contributions for transportation personnel for whom salaries are allowable;

(3) health, life and other insurance premiums for transportation personnel for whom salaries are allowable;

(4) premiums for collision and other insurance coverage for school buses;

(5) uniforms for transportation personnel for whom salaries are allowable;

(6) costs incurred by the employer for qualifying criminal history, drivers license, or other required testing attributable to special requirements for drivers of school buses pursuant to state or federal law including pre-employment and random drug and alcohol testing as required under subdivision six of section five hundred nine-g of the vehicle and traffic law;

(7) fuel, oil, tires, chains, maintenance and repairs for school buses, provided that for purposes of this article, fuel shall include electricity used to charge or hydrogen used to refuel zero-emission school buses for the aidable transportation of pupils, but shall not include electricity or hydrogen used for other purposes;

(8) bridge tolls;

(9) transportation by boat or airplane, because of the location of the school district in relation to the school which the children of the district attend, or required room and board in connection therewith necessitated because of impassable waters or adverse weather conditions, which has been approved by the commissioner;

(10) the consideration for the contract or contracts made for the purpose of providing transportation by horse-drawn vehicle or vehicles, if any school district shall be required to provide such transportation; and

(11) other expenses for district operated transportation systems, as approved pursuant to regulations of the commissioner.

f. Other transportation operating expenses as approved pursuant to regulations of the commissioner.

2. Allowable transportation capital, debt service and lease expense shall include base year expenditures as described in this subdivision,

net of revenue received with the express purpose of funding such expenditures as prescribed by the commissioner, except as provided in paragraph d of subdivision three of this section.

a. The purchase of school buses as approved by the commissioner;

b. The lease, as approved by the commissioner, of a school bus by a school district from another school district, board of cooperative educational services or a county vocational education and extension board, or any school bus leased by a school district from any other source under emergency conditions, as determined by the commissioner, or any school bus leased by a school district from any other source as otherwise authorized by this chapter;

c. The purchase of equipment deemed a proper school district expense, including: (i) the purchase of two-way radios to be used on old and new school buses, (ii) the purchase of stop-arms, to be used on old and new school buses, (iii) the purchase and installation of seat safety belts on school buses in accordance with the provisions of section thirty-six hundred thirty-five-a of this article, (iv) the purchase of school bus back up beepers, (v) the purchase of school bus front crossing arms, (vi) the purchase of school bus safety sensor devices, (vii) the purchase and installation of exterior reflective marking on school buses, (viii) the purchase of automatic engine fire extinguishing systems for school buses used to transport students who use wheelchairs or other assistive mobility devices, and (ix) the purchase of other equipment as prescribed in the regulations of the commissioner;

d. Other transportation capital, debt service and lease expense, as approved pursuant to regulations of the commissioner;

e. Any approved cost of construction, reconstruction, lease or purchase of a transportation storage facility or site in the amount of ten thousand dollars or more shall be aidable in accordance with subdivision six of section thirty-six hundred two of this article and shall not be aidable as transportation expense; and

f. Approved costs relating to the lease, purchase, construction, or installation of zero-emission school bus electric charging or hydrogen fueling stations. For the purposes of this section, a zero-emission school bus electric charging station is a station that delivers electricity from a source outside a zero-emission school bus into one or more zero-emission school buses. An electric school bus charging station may include several charge points simultaneously connecting several zero-emission school buses to the station and any related equipment needed to facilitate charging plug-in zero-emission school buses. Any work related to the construction or installation of zero-emission school bus electric charging or hydrogen fueling stations under this paragraph shall be considered public work and shall be subject to prevailing wage requirements in accordance with section two hundred twenty and two hundred twenty-b of the labor law.

3. a. The transportation operating expense for any school district furnishing transportation for pupils attending a school within such district shall be reduced by any moneys received for transportation.

b. If a district transports nonresident pupils, moneys received for such transportation shall also be deducted in calculating transportation aid, provided that in no case shall there be any deduction made in determining transportation aid on the basis of bus mileage travelled in transporting children pursuant to a contract executed in accordance with paragraph h of subdivision twenty-five of section seventeen hundred nine of this chapter.

c. Where a school district contracts for the transportation of its pupils with a contractor and such contract results in the joint use of one or more school buses with another district or districts contracting, independently, with the same contractor, the transportation operating expense applicable to such bus or buses for such route or routes shall be prorated to each district. The total transportation operating expense for all districts that are parties to such contract shall not exceed the consideration of the contract.

d. (1) For aid payable in the two thousand twenty-four--two thousand

twenty-five school year and thereafter, notwithstanding any provision of law to the contrary, approved transportation capital, debt service, and lease expenses for apportionments to school districts under subdivision seven of section thirty-six hundred two of this article shall include the final value of any vouchers paid on behalf of a school district, payments, and grants authorized pursuant to section 58-0701 of the environmental conservation law for costs associated with the purchase of or conversion to zero-emission school buses and supporting infrastructure.

(2) (i) In the case of allowable expenses for transportation capital, debt service, or leases which are related to costs associated with the purchase of or conversion to zero-emission school buses and supporting infrastructure and which are supported in whole or in part by vouchers, payments, or grants authorized under section 58-0701 of the environmental conservation law, such allowable expenses at the time in which the expense is claimed for aid shall be reduced by the quotient of (A) the positive difference, if any, of the maximum state support less allowable expenses, divided by (B) the transportation aid ratio calculated pursuant to subdivision seven of section thirty-six hundred two of this article, provided that allowable expenses after such reduction, if any, shall be greater than zero.

(ii) For purposes of this subparagraph "maximum state support" shall be equal to the sum of (A) the product of the transportation aid ratio calculated pursuant to subdivision seven of section thirty-six hundred two of this article multiplied by allowable expenses, plus (B) the final value of any such vouchers paid on behalf of a school district, payments, and grants authorized under section 58-0701 of the environmental conservation law.

(3) The entity authorized to provide state assistance payments or grants pursuant to subdivision two of section 58-0703 of the environmental conservation law shall provide to the commissioner a list of grants awarded and payments to each school district or vouchers paid on behalf of a school district for the purchase of or conversion to zero-emission school buses and supporting infrastructure no later than one month prior to the end of each calendar year and each school year. This list shall include the type and number of zero-emission school buses to be funded by these payments or grants, the supporting

infrastructure to be funded by these payments or grants, the award amounts of each payment or grant, the direct recipient of each payment or grant, the district receiving such payment or grant or that benefitted from such voucher, the date on which the payment or grant was received, and any other information necessary for the calculation of aid pursuant to subdivision seven of section thirty-six hundred two of this article.

4. Notwithstanding the provisions of this section or any other provision of law to the contrary, for the computation of transportation aid pursuant to the requirements of subdivision seven of section thirty-six hundred two of this article, allowable transportation expenses shall also include transportation operating expenses described in subdivision one of this section and transportation capital, debt service and lease expenses described in subdivision two of this section incurred in the two thousand nineteen--two thousand twenty school year: (i) during the state disaster emergency declared pursuant to executive order 202 of 2020 in the case of expenses pursuant to subdivision eight of section thirty-six hundred twenty-two-a of this part; and (ii) during the period between the issuance of executive order 202.4 on March sixteenth, two thousand twenty and the issuance of executive order 202.28 on May seventh, two thousand twenty in the case of expenses pursuant to subdivision nine of section thirty-six hundred twenty-two-a of this part. Such expenses shall be allowable transportation expenses even where aidable regular transportation as defined in section thirty-six hundred twenty-two-a of this part of transportation after four pm pursuant to section thirty-six hundred twenty-seven of this part was not provided.