



SUPERINTENDENT OF PUBLIC INSTRUCTION

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TO: The Honorable Bill Fromhold

FROM: Allan J. Jones

SUBJECT: Pupil Transportation Study

Since initial adoption of the pupil transportation funding formula in 1983, our state has undertaken several efforts to improve the formula. Although some minor changes have been made, the state has not modernized the current formula for 20 years.

As you know, the current state allocation formula has several weaknesses resulting in inconsistent levels of funding. For example, the current formula is based primarily on the number of students transported and the distance over which those students are transported. The distance is measured on a straight line basis and does not fully recognize environmental and geographical differences such as road congestion, waterways, mountains, and actual road locations. The current distance weighting factors were originally put in place to account for some of these differences across districts, however, they were based on incomplete data and have not been examined or updated since they were first enacted. Additionally, the current formula does not recognize operational differences such as driver salaries. Finally, education has changed dramatically in the last 20 years; our transportation routing categories are limited and based on an education paradigm that is decades old.

Further, the overall level of funding does not appear to be adequate for the majority of school districts. In 2002-03, 139 school districts, with 84 percent of the state's enrollment were funded at levels ranging from 40 to 70 percent of their operating expenditures.

Thus, Superintendent Bergeson has recommended that a specific study be undertaken to develop transportation funding options—examining adequate funding levels as well as specific formula variables and allocation methods. To this end, the Regional Transportation Coordinators and I have developed the following study questions to aid in such an inquiry.

Potential Funding Study Questions

Other State Formula Approaches

How do other states fund their transportation programs, and what are the benefits and drawbacks to these systems?

Student Counts

Ridership counts are the base element of our current formula. In a revised formula how should ridership counts be modified to accurately reflect district workloads and to reduce effort at the district and bus route level?

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Routing Categories

Are the current route categories appropriate? Should some be combined, do we need more based on changes in our education system?

What types of routes (by category) are most typically under-funded? How can the system be adjusted to adequately fund these routes? (Kindergarten, shuttles, extended day programs related to academic achievement, etc.)

How can the funding system be modified to respond to high impact routes during the school year (such as special education or homeless routes where one student is required to be transported)?

Technology Integration

What technology is available to increase efficiency and change/restructure the funding system?

Would a statewide routing program or other technological advances increase efficiency enough to offset the cost?

Are there other benefits to an investment in technology: improved state and district management capabilities (ridership reporting); meet federal reporting requirements under NCLB; improved student security and safety?

Employee Cost Differentials

A significant cost for districts is employee related salary and benefits. How can the formula address the different salary levels required for districts to compete in local labor markets?

Non-Employee Related Costs

Can (should) a transportation specific NERC or other inflation-related funding variable be developed and utilized in the formula? What operating costs would be included (e.g. fuel, insurance, maintenance and repair, etc...)?

Short-Distance Funding

What transportation services should be funded within one (radius) mile, and through what funding process? (Social conditions, roadway conditions, impact on minimum load funding for picking up students within one mile.)

Per Rate Mile vs. Fixed Cost Funding

Do our formulas adequately address the fixed costs of operating buses/routes? Is the minimum-load component the appropriate approach to address fixed costs, or do we need a different method for determining a funding floor for operations support?

Other System Issues

How can the system respond to regional and district specific differences (e.g. traffic congestion impacting routing decisions, etc...)

How does the state develop a funding/allocation formula that adequately balances the state interest(s) while maintaining sufficient district flexibility and not be so prescriptive as to determine or interfere with the design of the educational program?