

SENATE BILL REPORT

SB 5914

As Reported by Senate Committee On:
Early Learning & K-12 Education, February 25, 2009

Title: An act relating to student transportation funding.

Brief Description: Concerning student transportation funding.

Sponsors: Senators Rockefeller, McAuliffe, Schoesler and Shin; by request of Superintendent of Public Instruction.

Brief History:

Committee Activity: Early Learning & K-12 Education: 2/18/09, 2/25/09 [DP-WM, w/oRec].

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators McAuliffe, Chair; Kauffman, Vice Chair, Early Learning; Oemig, Vice Chair, K-12; King, Ranking Minority Member; Brandland, Hobbs, Holmquist, Jarrett and McDermott.

Minority Report: That it be referred without recommendation.

Signed by Senators Roach and Tom.

Staff: Susan Mielke (786-7422)

Background: Current law provides that funds allocated for student transportation costs are in addition to the basic education allocation. Generally, a district is not required to transport students but if a district provides student transportation then the state funds the program through a categorical allocation, not a cost reimbursement, based on rates that are set by the Legislature each year:

- a rate for each K-5 public school student living within one mile of the school.
- a rate determined by the number of students (the count is taken over a one-week period during the school year), number of trips, and distance from the school using a weighted mileage factor for students that live more than one mile from the school. The allocation is not based on the actual bus routes but on the distance in a straight line (as the crow flies) from the bus stop to the school.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The 2005-07 operating budget directed the Joint Legislative Audit and Review Committee (JLARC) to conduct a study of K-12 student transportation. JLARC conducts performance audits and other studies directed by the Legislature and JLARC itself. An equal number of House and Senate members, Democrats and Republicans, serve on JLARC. The student transportation study contained five recommendations, including requiring school districts to separate to-and-from transportation costs from other transportation costs; clarifying instructions for tracking and reporting transportation costs; clarifying the statutory and rule language regarding what transportation costs the Legislature intends to fund; and establishing a method for providing funds to operate to-and-from student transportation programs that reflects costs and the state's priorities in funding.

In 2007 the Legislature directed the Office of Financial Management (OFM) to hire a consultant to develop two options for a new state student transportation funding methodology, with input from an advisory committee. The expected cost model was one of the options developed. This model reimburses each school district based on the adjusted average actual transportation cost of all the school districts in the state. The formula computes the average, or expected, expenditures for each school district by constructing a multiple regression equation that is adjusted for local site characteristics. The OFM report identified that the advantages of this model are that it uses actual expenditures and adjusts for factors outside of the district's control. The report identified that the disadvantages of this model are that it is difficult to understand, requires additional data, and does not reward efficiency. The report also recommended that the state put the new formula in place starting in the 2011-13 biennium; and prior to that time, a number of transitional and implementation considerations need to be addressed, including development of information technology reporting and processing systems.

Summary of Bill: For the purposes of the new transportation funding formula, the definitions for "eligible student" and "to-and-from school" are changed and a definition of "walk area" is added. The number of times a school district takes a count for the purposes of funding student transportation is increased from one to three times a year. Districts must report the student counts, bus stop and school locations, the number of miles driven the previous year, and the cost, quantity, and type of fuel purchased for use in to-and-from student transportation.

The Office of the Superintendent of Public Instruction (OSPI) must determine each school district's annual student transportation allocation using a regression analysis of the average predicted costs based on the number of basic and special education students transported and other site characteristics that are significant, which may include the average distance to school and the number of locations served. OSPI must annually submit a report outlining the methodology used to determine the allocations for the following year. OSPI may develop a separate process to adjust the allocation to ensure that the allocation formula provides adequate appropriations for low enrollment districts, non-high districts, districts involved in cooperative transportation agreements, and cooperative special transportation services operated by the Educational Service Districts (ESDs).

Beginning September 1, 2013, OSPI must compare school district transportation operations and if a district's operation is less than 90 percent efficient then the regional transportation coordinators, located at five of the ESDs, will review and determine measures to improve

efficiency. The OSPI will annually summarize the efficiency reviews and resulting changes and submit to the Legislature.

OSPI will implement the new distribution formula for student transportation beginning with the 2011-12 school year. By December 12, 2009, OSPI will develop new rules specifying student transportation reporting requirements. From December 2009 through December 2014, OSPI must provide quarterly updates to the Legislature on the new distribution formula.

Appropriation: None.

Fiscal Note: Requested on February 2, 2009.

Committee/Commission/Task Force Created: No.

Effective Date: Sections 2–7 take effect September 1, 2011. Section 8 takes effect September 1, 2013

Staff Summary of Public Testimony: PRO: This is a continuation of efforts begun in 2005 to address the inequities and inadequacies of current student transportation funding formulas. After the JLARC study recommended that districts separate the to-from costs from other transportation costs, it provided the ability to identify that the state level of funding does not cover all the costs. Currently, most school districts use a portion of their local levy funds to supplement the state funding provided for student transportation. This bill does not provide a perfect funding plan but it is better than the current system. It does respond to the varying site characteristics and does a much better job of providing an adequate allocation to cover the actual costs for most school districts. Part of the plan will provide a statistical analysis of the efficiency of the transportation operation that will flag inefficient operations so that the regional transportation coordinators can then investigate to determine if there are mitigating actions that can be taken to improve efficiency. Additionally, walk areas are defined so that safe walking routes are identified.

Persons Testifying: PRO: Senator Rockefeller, prime sponsor; Marcia Fromhold, Evergreen School District; Fred Stanley, Washington Association on Public Transportation; Jim Crawford, Olympia School District; Allan Jones, OSPI.