

HOUSE BILL REPORT

HB 1808

As Passed House:

February 2, 2022

Title: An act relating to pupil transportation funding.

Brief Description: Concerning pupil transportation funding.

Sponsors: Representatives Stonier, MacEwen, Dolan, Leavitt, Johnson, J., Callan, Santos, Shewmake, Wylie, Bergquist, Pollet, Harris-Talley and Kloba.

Brief History:

Committee Activity:

Appropriations: 1/17/22, 1/20/22 [DP].

Floor Activity:

Passed House: 2/2/22, 95-1.

Brief Summary of Bill

- Requires school districts to report transportation expenditures monthly for special passengers, including students that are homeless, in foster care, or receiving special education, beginning in the 2022-23 school year.
- Requires the Office of the Superintendent of Public Instruction (OSPI) to reimburse all reported special passenger costs monthly beginning in the 2023-24 school year and excludes those costs from the calculation of formula-based transportation allocations.
- Requires the OSPI to provide an analysis of school districts' 2023-24 transportation costs and allocations to the Legislature by January 1, 2025.
- Requires the State Auditor's Office to review special passenger costs in school districts that exceed 105 percent of the state average cost per special passenger.

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

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 31 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Boehnke, Caldier, Chopp, Cody, Dolan, Dye, Fitzgibbon, Frame, Hansen, Harris, Hoff, Jacobsen, Johnson, J., Lekanoff, Pollet, Rude, Ryu, Schmick, Senn, Springer, Steele, Stonier, Sullivan and Tharinger.

Minority Report: Without recommendation. Signed by 1 member: Representative Stokesbary, Ranking Minority Member.

Staff: James Mackison (786-7104).

Background:

State Funding Formulas for Pupil Transportation.

The state's statutory program of basic education includes transportation to and from school for eligible students, including transportation of students for special education services and between schools and learning centers.

To provide transportation allocations to school districts, the Office of the Superintendent of Public Instruction (OSPI) uses the Student Transportation Allocation Reporting System (STARS), which is a regression formula that uses prior year expenditures, student passenger counts, and district characteristics to calculate the expected costs of to and from transportation. The STARS formula result is then compared to the district's allowable transportation expenditures from the prior year. The school district receives the lesser of the two calculated amounts, plus any compensation adjustments provided in the operating budget.

Counts of basic and special program passengers are used in the STARS formula. Special program passengers include students in special education, bilingual programs, highly capable programs, homeless programs, and other programs transporting students separately from basic program passengers.

Transportation Alternate Funding Grant Program.

The Transportation Alternate Funding Grant Program provides grant awards to school districts in addition to the STARS formula allocation. As part of the award process for the grants, the OSPI must review school districts' efficiency ratings, key performance indicators, and other characteristics, such as unique geographic constraints, low enrollment, geographic density of students, the percentage of students served under the McKinney-Vento Homeless Education Assistance Act (McKinney-Vento Act) from outside the district, or whether a district is a non-high school district.

Federal Requirements for Homeless and Foster Student Transportation.

Federal laws include requirements for student transportation of homeless students and students in foster care, including transportation to and from a student's school of origin upon request and when it is in the child's best interest.

The federal McKinney-Vento Act defines "homeless children and youths" to mean individuals who lack a fixed, regular, and adequate nighttime residence. Under the McKinney-Vento Act, homeless children are entitled to receive transportation comparable to what is available to non-homeless students.

The federal Every Student Succeeds Act includes requirements for school districts to develop procedures that address how transportation to the schools of origin for children in foster care will be provided, arranged, and funded.

In cases where a student is living outside the school district where a school of origin is located, multiple school districts and child welfare agencies may coordinate in determining a method of transportation and arrangements to share costs.

Summary of Bill:

Beginning in the 2022-23 school year, school districts must report allowable transportation expenditures for special passengers monthly. Special passengers include, but are not limited to:

- special education students that require transportation as a related service of their Individualized Education Program (IEP);
- homeless students requiring transportation under the McKinney-Vento Act; and
- foster students receiving transportation as required under the Every Student Succeeds Act, excluding excess costs covered by state or local child welfare agencies.

Beginning in the 2023-24 school year, the Superintendent of Public Instruction must distribute monthly allocations to reimburse school districts for special passenger expenditures. Reimbursements through December of a school year are based on special passenger expenditures reported for the prior year, and allocations are adjusted each month thereafter based on current year reported expenditures so that districts receive allocations for all reimbursable costs within a school year.

Reimbursable special passenger costs are removed from the STARS regression formula. References to the phase-in period of the transportation distribution that no longer apply to the STARS regression formula or special passenger reimbursements are removed.

If a school district's reimbursable costs exceed 105 percent of the state average reimbursable cost per student, the State Auditor must review the transportation costs to ensure they are necessary and reasonable costs attributable to transporting students.

The Transportation Alternate Funding Grant Program is revised to remove the percentage of students outside the district served under the McKinney-Vento Act from the review process for awards.

The OSPI must provide an analysis of school district transportation costs and allocations for the 2023-24 school year by January 1, 2025. The analysis must include the mileage, ridership, and costs for each district, disaggregated by the following groups: students with disabilities, students who are homeless, students in foster care, and all other students transported to and from school. The Legislature intends to use this data to inform its future discussions on revising the student transportation allocation model to be more predictable and transparent.

Appropriation: None.

Fiscal Note: Available.

Effective Date: This bill takes effect 90 days after adjournment of the session in which the bill is passed, except for section 1, relating to school district reporting of transportation data, which takes effect September 1, 2022; and sections 2 through 6, relating to implementation and reviews of transportation formula changes, which take effect September 1, 2023.

Staff Summary of Public Testimony:

(In support) Though the formulas described are complex, the purpose of the bill is to make transportation funding more predictable for districts than the current STARS formula. Transportation costs for students that are homeless, in special education, or foster care are the hardest costs to predict, which is why making these costs reimbursable at the front-end of the formula makes sense. Districts have expressed the need for transportation formulas to be more predictable.

This improves transportation funding formulas, particularly for students in foster care, that are homeless, or receiving special education services required by an IEP. To cover the costs of the bill, it should be funded between \$60 million to \$100 million statewide. Districts report \$2 to \$3 million deficits for cost not reimbursed by the STARS formula.

Schools are required by federal law to provide transportation for students in foster care, homeless students, and special education students with transportation written into an IEP. These students are often farthest away from educational justice. Yellow school buses are not always the best option, and individual and alternative modes of transportation such as taxis or HopSkipDrive are often required for these students. These costs fall outside of transportation funding formulas. Providing this transportation provides support for families and stability in students' education.

Many school districts support the bill, and it is a good starting point and first step. A second

step would be to update the underlying STARS formula to move to a more transparent and predictable formula, which can be done next year. The STARS funding formulas need reform and are difficult to work with.

There is an accountability mechanism in the bill, requiring the State Auditor to review districts with cost above the statewide average cost.

The sponsor's work to meet the unique needs of these student populations is appreciated. This bill ensures vulnerable students such as foster, homeless, and special education students have adequate funding for transportation.

The two biggest issues for districts are transportation deficits and enrollment declines. Transportation formulas have never been fully implemented or funded, and STARS was broken from the beginning.

(Opposed) None.

Persons Testifying: Representative Monica Jurado Stonier, prime sponsor; Samantha Fogg, Vivian van Gelder, and June Nho Ivers, Seattle Council Parent Teacher Student Association; Charlie Brown, Tacoma, Bethel, Puyallup, and Clover Park school districts; Melissa Gombosky, Evergreen and Vancouver Public Schools, Educational Service District 112 ; Rick Chisa, Public School Employees of Washington; and Clifford Traisman, Bellevue, Highline, Olympia, and Seattle Public Schools.

Persons Signed In To Testify But Not Testifying: None.