

During public hearings, the Commission heard testimony regarding the high cost of providing transportation to pupils, particularly in rural districts.

The high cost transportation aid program provides additional transportation aid to school districts with higher per pupil transportation costs compared to the statewide average. A district is eligible for aid if it meets the following two criteria: (a) per pupil transportation cost exceeds 145% of the statewide average per pupil cost; and (b) pupil population density is equal to 50 or fewer pupils per square miles of the district's area. Aid is distributed to eligible districts based on the difference between the district's per pupil transportation cost and the aid threshold of 145% of the statewide average. If appropriated funds are insufficient to pay the full payment amounts, payments are prorated.

Additionally, a stop-gap provision provides aid to any district that qualified for high cost transportation aid in the immediately preceding school year but is ineligible in the current school year because its transportation costs did not exceed the aid threshold. Each qualifying district is eligible to receive 50% of its prior year award. The sum of all payments under the stop-gap measure cannot exceed \$200,000 in any fiscal year, and payments are prorated if eligibility exceeds \$200,000. In 2017-18, the first year in which the stop-gap provision was in place, 13 districts qualified for aid, and payments were prorated at 51.3%.

The table below shows the total amount of funding appropriated, the number of districts that qualified for aid, and the proration rate in each year since the program was first implemented. The districts that qualified for aid under the stop-gap provision are not included.

High Cost Transportation Aid, 2013-14 to 2018-19

	<u>Total Funding</u>	<u>Eligible Districts</u>	<u>Proration Rate</u>
2013-14	\$5,000,000	128	33.7%
2014-15	5,000,000	135	32.1
2015-16	7,500,000	128	60.4
2016-17	7,500,000	123	51.6
2017-18	12,700,000	126	84.8
2018-19	12,700,000	N.A.	N.A.

ALTERNATIVES

1. Recommend modifying the program to provide aid for transportation costs above 125% of the statewide average, rather than 145% as under current law. Provide an additional \$10.6 million GPR annually to maintain the current 85% proration rate.

ALT 1	2019-20	2020-21
GPR	\$10,600,000	\$10,600,000

2. Recommend providing an additional \$130,000 GPR annually for the stop-gap provision. Based on 2017-18 data, this additional funding would have resulted in a proration rate of approximately 85% for the stop-gap provision, comparable to that of the program as a whole.

ALT 2	2019-20	2020-21
GPR	\$130,000	\$130,000

3. Recommend eliminating statutory language limiting the stop-gap provision to \$200,000 annually. This would result in the proration rate for the stop-gap provision being the same as the proration rate for the program as a whole. (In 2017-18, this would have resulted in an overall proration rate of 82.7%, rather than 84.8% as under current law.)