

## Agency: UTAH STATE BOARD OF EDUCATION

### Request Titles:

- **Pupil Transportation Efficiency Measure Request**
- **Pupil Transportation to and from Transportation Funding Request**

### Purpose Statement:

*Reintroduces an efficiency incentive program for to and from pupil transportation funding by allowing USBE to use a percentage of funding from the To and From Pupil Transportation Funds that can be distributed to efficient districts.*

*Annual transportation funding request to increase legislative funding for pupil transportation. Contributing factors for supporting the need for additional funding are the increasing costs of transportation, inflation, fuel and personnel costs. Last year, transportation funding included one time funding of 6 million dollars and district transportation costs in FY23 greatly exceeded USBE's prediction. Year to year transportation funding needs to be prioritized so that the state maintains the 85% funding levels for transportation.*

### What is the nature of your request?

- POLICY REQUEST – Seeking changes to Utah State Code to improve your program/services.
- FUNDING REQUEST – Seeking new or additional financial resources to support a program/service for education.

### Current Funding for FY 2024: *(Provide current year funding differentiating one-time and ongoing funding for the program.)*

FY 2024 Ongoing Funding = \$124,493,700

FY 2024 One-Time Funding = \$6,000,000

**Projected Results:** *(Provide 1-2 bullets on how the policy/funding request would lead to a measurable outcome in the K-12 education system (ex. performance measure).)*

- Providing an efficiency measure will provide incentives for districts to be efficient. Currently, districts are not incentivized to be efficient and are spending more money on Pupil Transportation.
- Increasing transportation funding decreases the amount of money that the districts need to subsidize transportation costs from their general budget. Providing transportation to students gives students and families equitable opportunities and resources.

**Rationale:** In March 2022, 53F-2-402 changed statute to:

(b) The state shall contribute up to 85% of approved transportation costs for each school district, subject to budget constraints.

The 85% pupil transportation funding hard cap for each district is capping the funds of efficient districts for FY23 and on. The transportation formula has provided an efficiency measure for at least the last 20 years.

The removal of the efficiency measure is the district's biggest transportation concern. It is now a deterrent for districts trying to be efficient with their funding.

Additional transportation funding is needed to combat the increasing costs of transportation, inflation, increasing fuel and personnel costs.

**If not funded/approved:** Efficient districts are penalized for being efficient. Their funding is capped and transferred to inefficient districts. Efficient districts then receive a portion of funding back on every dollar spent. This will lead to increased spending in pupil transportation.

Transportation Funding will decrease the amount of money that the district needs to subsidize transportation costs from their general budget. That savings can be used at the local level to support their individual programs. If additional funding is not received districts will be burdened with covering the transportation costs from their general budget.

## **USBE Lead Point of Contact:**

**Name:** Ron Litchfield

**Email Address:** [ron.litchfield@schools.utah.gov](mailto:ron.litchfield@schools.utah.gov)

**Phone Number:** 801-538-7577

**USBE Section:** Financial Operations

### **Additional USBE points of contact (as needed):**

**Name:** Dale Frost

**Email Address:** [dale.frost@schools.utah.gov](mailto:dale.frost@schools.utah.gov)

**Phone Number:** 801-538-7706

**USBE Section:** Financial Operations

**Deputy Superintendent Name:** Scott Jones

**Email Address:** [Scott.Jones@schools.utah.gov](mailto:Scott.Jones@schools.utah.gov)

**Phone Number:** 385-288-7723

**USBE Section:** Operations

## **POLICY REQUEST**

*This section only needs to be completed if you are making a policy request (creating or changing existing Utah Code language).*

- 1. Section(s) of State Code to be addressed (if none, insert "N/A"):**

53F-2-402.4(b)

State Support of Pupil Transportation

(b) The state shall contribute up to 85% of approved transportation costs for  
) each school district, subject to budget constraints.

**2. Summarize the request, the specific problem it will solve, and how it will solve the problem. (Describe the issues or concerns the legislation will address:)**

Allowing USBE to use a percentage of funding from the To and From Pupil Transportation Funds that can be distributed to efficient districts. This will reintroduce an efficiency measure to pupil transportation funding. This will address the following challenges that districts are facing now.

- Providing incentives for districts to be inefficient
- Efficient districts now receive a portion of funding back on every dollar spent
- Districts have worked very hard in the past to be efficient
- Rural districts are more heavily impacted the 85% hard cap on funding
- Districts have dramatically increased their spending in transportation

**3. Describe the history of the issues or concerns including relevant context and timelines:**

In March 2022, 53F-2-402 changed statute to:

(b) The state shall contribute up to 85% of approved transportation costs for each school district, subject to budget constraints.

The 85% pupil transportation funding hard cap for each district is capping the funds of efficient districts for FY23 and on. The transportation formula has provided an efficiency measure for at least the last 20 years.

**4. What are the suggested legislative solutions? Include code references and suggested language where possible:**

Allow the Board to set aside a percentage of to and from school transportation funding that can be distributed to districts that demonstrate efficiency.

*For policy only requests, please address these questions as well. If you are also making a funding request, these questions will be addressed in the next section below:*

5. **Provide details, sources, research, and analysis to which forms evidence-basis for this request or the associated program (e.g, cost benefit analysis, program evaluation, results from pilot program, etc). Include whether this data is currently collected and available or whether new data will be collected:**

No additional data needs to be collected. USBE's transportation formula shows the efficiency of school districts transportation and makes comparisons to prior year funding.

## **FUNDING REQUEST**

*This section only needs to be completed if you are seeking new or additional funding.*

### **Board Action for Request:**

June 1, 2023 full Board meeting

*MOTION: That the Board directs staff to develop a legislative request for the 2024 legislative session on pupil transportation, including funding transportation in a manner that allows LEA autonomy in implementation. (Board Member Boothe w/Board Member Boggess friendly amendment regarding LEA autonomy)*

1. **Summarize the request, the specific problem it will solve, and how it will solve the problem.**

Annual transportation funding request to increase legislative funding for pupil transportation. Contributing factors for supporting the need for additional funding are the increasing costs of transportation, inflation, increasing fuel and personnel costs. Last year, transportation funding included one time funding of 6 million dollars and district transportation costs in FY23 greatly exceeded USBE's prediction. Year to year transportation funding needs to be prioritized so that the state maintains 85% funding levels for transportation.

2. **Amount Requested: estimated \$32,000,000 (Transportation costs in FY23 have exceeded USBE's funding prediction. USBE will provide an update in January when FY23 financial data is available.)**

Funding Source	Amount (\$)
FY 2025 one-time funding	\$
FY 2025 ongoing funding	<b>\$32,000,000</b>
<b>TOTAL funding requested</b>	<b>\$32,000,000</b>

3. **Provide an itemized budget, including revenue and expenditure sources, for how the funding will be utilized.**

Transportation funding reimburses up to 85% of the eligible to and from school transportation expenditures that were spent in the prior year.

#### **Funding Source(s):**

Program Name		
Cost Category	FY 2024 <i>(Current fiscal year)</i>	FY 2025

<u>Personnel Services</u>	\$	\$
Travel/In State	\$	\$
Travel/Out State	\$	\$
Current Expenses	\$	\$
Data Processing Current Expenses	\$	\$
Data Processing Capital Outlay	\$	\$
Capital Outlay	\$	\$
Other Charges/Pass Through	\$	\$
Transfers	\$	\$
Other	\$	\$
<b>Total</b>	\$	\$

USBE FTEs	FY 2024 ( <i>Current fiscal year</i> )	FY 2025
<u>NEW USBE FTEs</u>	0	0

**4. To what extent is this request scalable? Articulate the impacts if lower funding amounts were provided for this request.**

State Supported Pupil Transportation funding level will be below the 85% statutory contribution level requiring more LEA funds to cover the costs of transportation.

**5. What has been done or considered to address this problem with existing resources, instead of requesting additional state funding?**

Pupil transportation is only partially funded by the state. This puts a higher demand on district general funds to supplement the pupil transportation program.

**6. Summarize the current budget for the project or program that is being funded. If this is a new project or program, summarize resources that are available for like-objectives within USBE.**

State funding is used to support to and from school transportation. USBE projects expenditures and identifies each district's allowable costs. Funding requests are targeted to receive the statute level of funding to cover 85% of allowable costs.

**7. Does this request create any future funding obligations (operations and maintenance, multi-year scale up, etc)?**

Transportation funding is reviewed each year and new funding requests are updated to reach the 85% of allowable costs.

**8. Describe how the funding case supports the goals and metrics of the [USBE Strategic Plan](#).**

3A: Support districts and schools in creating and maintaining conditions for a safe and healthy learning environment. Pupil Transportation aligns with providing support and equity to students and families.

**9. What value will additional resources create for Utah? What performance measures for that value will be reported or are already reported?**

The goal of transportation funding is to reach 85% level of funding in statute. The more funding the state allocates it frees up general funds that would normally subsidize transportation costs. These savings can be used to focus on the local needs of the district. USBE's transportation formula shows the efficiency of school districts transportation and makes comparisons to prior year funding.

**10. Provide details, sources, research, and analysis to which forms evidence-basis for this request or the associated program (e.g, cost benefit analysis, program evaluation, results from pilot program, etc).**

Increasing the transportation funding decreases the amount of money that the district needs to subsidize transportation costs from their general budget. That savings can be used at the local level to support their individual programs.

**11. Which populations or geographic areas will benefit most from this request? What safeguards will be implemented to prevent inequities or other unintended distributional consequences as it relates to this request?**

All School Districts will benefit with additional funding. The transportation funding formula provides equitable distribution of funding.

**12. Which stakeholders have you engaged and coordinated with during the development of this request?**

- a. Reached out to a few transportation directors on their concerns on the increases in costs from last year that they are experiencing due to

increases in bus driver salary, benefits, more full-time positions, and fuel costs.

- b. Maintained dialog through emails with transportation supervisors and staff.
- c. Reviewed transportation budgets with many business administrators and transportation directors

DRAFT