

STATEMENT OF PURPOSE

RS26083C1

During the economic downturn the transportation reimbursement model for public school districts and public charter schools was changed. The legislation reduced the state reimbursement match from 85% to 50% for all but SDE assessments and fees, and bus purchases and maintenance, and converted the dollars into a pupil transportation block grant. The annual adjustment calculation for the block grant is an attempt to recognize the changes in the number of units measured, and in the costs of the units. According to a 2016 Office of Performance Evaluations report, however, the units being measured are support units, which are a weak surrogate for changes in demand for pupil transportation. Support units can vary based on a number of factors such as district size, kindergarten, elementary, secondary, and Special Education; such that two districts with relatively similar pupil transportation needs could have quite different funding due to student population demographics.

Districts receive more or less than 85% total transportation reimbursement based on the block grant calculation. This legislation, returning the reimbursement model to that used before the economic downturn, would ensure equal treatment of all LEA's, ease administrative burden, and allow for more accurate budgeting of transportation expenditures. Currently, the transportation support program provides more total reimbursement to districts under the current model than it would have had the original 85% model for districts currently receiving more than 85% reimbursement, a hold harmless provision is included that would redistribute the savings to the transportation support program to districts from which savings were realized.

FISCAL NOTE

This legislation locks in the current total cost of the transportation support program, approximately \$77.5 million, and in future years distributes any savings from this legislation back to districts that lose revenue compared to the base year, fiscal year 2015-16 the most recent year for which data is available. In every case all losing districts get the same portion of their loss back using those savings.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).