



Providing for Adequate and Predictable Student Transportation to School

2023–25 Biennial Operating Budget Decision Package

Recommendation Summary

The state’s current model for providing school districts with funding for student transportation is opaque, unpredictable, and does not sufficiently provide for the actual costs of transporting students to and from school each day. The Office of Superintendent of Public Instruction (OSPI) requests appropriate funding that is transparent, based on district-specific variables, and easily predictable ensuring that each school district receives appropriate funding levels. The cost of this proposal is approximately \$159 million for the 2023–25 biennium.

Fiscal Details (Funding, FTEs, Revenue, Objects)

Operating Expenditures	FY 2024	FY 2025	FY 2026	FY 2027
General Fund State - 01	\$64,788,000	\$94,120,000	\$107,908,000	\$121,972,000
Total Expenditures	\$64,788,000	\$94,120,000	\$107,908,000	\$121,972,000
Biennial Totals	\$158,908,000		\$229,880,000	
Staffing	FY 2024	FY 2025	FY 2026	FY 2027
FTEs	0.0	0.0	0.0	0.0
Average Annual	0.0		0.0	
Revenue	FY 2024	FY 2025	FY 2026	FY 2027
General Fund State - 01	\$0	\$0	\$0	\$0
Total Revenue	\$0	\$0	\$0	\$0
Biennial Totals	\$0		\$0	
Object of Expenditure	FY 2024	FY 2025	FY 2026	FY 2027
Obj. N	\$64,788,000	\$94,120,000	\$107,908,000	\$121,972,000

Package Description

What is the problem, opportunity, or priority you are addressing with the request?

The current student transportation funding model does not adequately meet the needs of school districts or the state. This proposal provides an opportunity for the state to allocate resources for student transportation in a more transparent manner that would make projecting

future costs less complex and more accurate. This proposal would provide more stability to the funding model for both state budget writers and for school districts.

What is your proposed solution?

OSPI proposes a transition to a less complex funding model that determines district transportation funding levels based on specific variables including the number of riders transported and the number of miles driven. Reducing the number of variables in the transportation model will help the Legislature and OSPI project future transportation costs more accurately. Similarly, this proposal would help school districts better project future student transportation allocations.

What are you purchasing and how does it solve the problem?

Funding will assist districts in staffing their transportation programs, buying fuel, as well as with costs associated with routine maintenance for district fleets of buses in a transparent and predictable manner. OSPI's proposal will address problems stemming from the current transportation model, which has long frustrated school districts and state budget writers.

What alternatives did you explore and why was this option chosen?

Potential alternatives included continuing to utilize the current funding formula, which does not meet district's funding needs and is not transparent or predictable. OSPI considered transitioning to a new funding formula that included additional variables beyond the total riders and road mileage. Variables considered but not selected include the cost of fuel and the total land area of a school district. The additional variables were excluded because there was not a statistically significant correlation between those variables and the amount of funds districts receive.

Other alternatives considered include one-off fixes that respond to individual challenges districts face with the current funding formula, such as transporting populations of students that require special transportation services: students experiencing homelessness, students in foster care, and students with disabilities. This approach does not address the underlying challenges of the model and would be a short-term fix.

Performance Measures

Performance outcomes:

Funding this proposal will provide the state and districts with a more stable and predictable model for student transportation funding. The outcome of this proposal will allow districts to make decisions about student transportation services with more confidence about what revenue will be provided to support those decisions.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This proposal is a shift in the funding model related to how districts receive funding for getting students to and from school each day.

Detailed assumptions and calculations:

The calculations for this proposal are based on 2021–22 school year district-level data of average riders and total mileage to transport students to and from school. In a few cases, data was not reported by school districts for the 2021–22 school year. In these cases, OSPI used data for the most recent school year reported when schools were fully open for in-person instruction.

Step 1:

Provide a fixed allocation of \$1,900 per student transported. The per student value of \$1,900 is adjusted by the implicit price deflator annually starting with the 2024–25 school year. This value is weighted by a ratio of 0.86. Based on this, the first portion of the calculation is as follows:
(Average Riders) * (\$1,900) * (0.86).

Step 2:

Provide a fixed allocation of \$0.82 per mile driven to provide to and from school transportation. The per mile value of \$0.82 is adjusted by the implicit price deflator annually starting with the 2024–25 school year. This value is weighted by a ratio of 0.14. Based on this, the second portion of the calculation is as follows: (To/From Mileage) * (0.82) * (0.14).

Step 3:

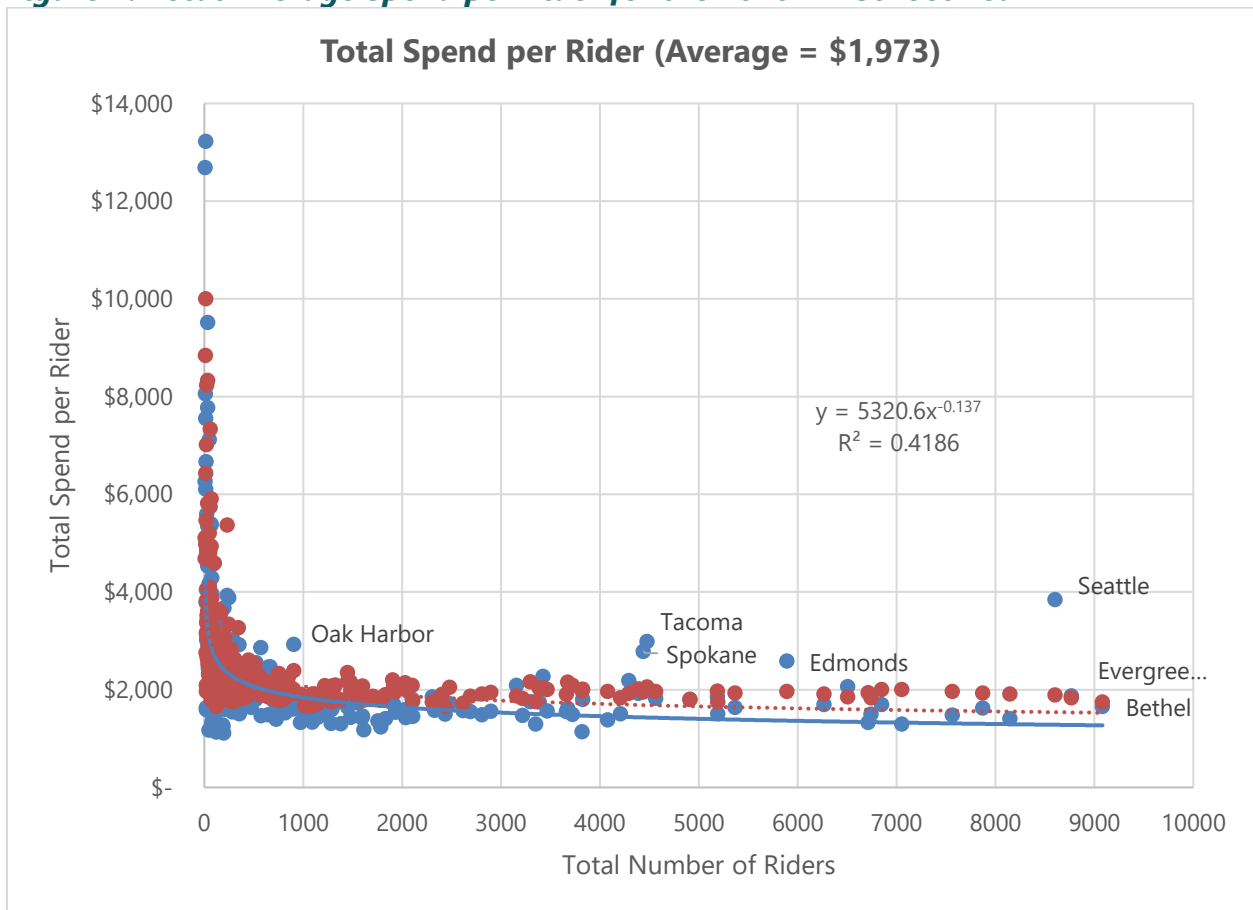
The final step of the calculation is to multiply the results of the two prior steps by the regionalization factor of the district. That calculation is as follows: (Step 1) * (Step 2) * (Regionalization Factor).

The results of the above-described calculation are compared with the school district's actual 2021–22 school year allocation. If districts receive less under this proposal, they will receive the difference so that no district would receive less than their 2021–22 school year allocation.

OSPI estimates the total cost of this proposal for the 2023–24 school year would be approximately \$130,000,000. For the inflationary factor, OSPI assumes a 2% annual average increase on the initial cost of this proposal.

Figure 1 contains a graphical depiction of the impact of this proposal for its initial year of implementation comparing historical allocations with the outcomes of this proposal.

Figure 1: Total Average Spend per Rider for the 2020–21 School Year



Workforce assumptions:

This proposal does not impact state workforce assumptions.

How is your proposal impacting equity in the state?

Transitioning to a model where the number of students transported directly impacts the district’s allocation will give districts the opportunity to expand services equitably.

Strategic and Performance Outcomes

Strategic framework:

Many students depend on reliable transportation to receive their high-quality education. This proposal supports OSPI’s strategic goals #1, #2, and #4 by providing all of Washington’s K–12 students with strong educational foundations; ensuring access to rigorous, learner-centered options in all communities; and supporting school districts through consistent, timely, and meaningful funding and supports that center the needs of students.

Other Collateral Connections

Intergovernmental:

None.

Stakeholder response:

Many districts have expressed concern or frustration with the current student transportation funding model. These concerns are often based on the challenge of projecting future school year allocations. Based on the collective feedback of school districts, OSPI is confident that most districts would be supportive of a transition to a less complex funding model.

Legal or administrative mandates:

None.

Changes from current law:

This change would require a change in budget language and RCW that describes the current funding model.

State workforce impacts:

None.

State facilities impacts:

None.

Puget Sound recovery:

N/A

Other Documents

Reference documents:

None.