



Members Brief

An informational brief prepared by the LSC staff for members and staff of the Ohio General Assembly

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Pupil Transportation Formula

Pupil transportation funding is shared between the state and school districts. State support is primarily composed of a base transportation payment for regular education students transported on yellow school buses, a transportation supplement to address low-density, an efficiency adjustment, and payments for other types of transportation. Transportation funding totaled \$753.9 million in FY 2024.

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Overview

Current law requires that school districts provide transportation to their students as well as to certain community and STEM school and nonpublic students who reside in the district. While this requirement applies to all K-8 students who live more than two miles from the school, the state also funds transportation service for preschool and high school students and for students who live less than two miles from the school. Certain exceptions apply to the state transportation requirement, such as when transportation to a community or STEM school exceeds 30 minutes or when the district board determines the transportation to be impractical. Students in certain circumstances, such as those with disabilities or who are homeless, are entitled to transportation regardless of age or distance to school.

The transportation formula, a component of state foundation aid, supports the transportation of all regular education pupils in buses either owned by the district or operated

through contract. In general, it is based on transportation costs reported by school districts for the prior fiscal year and current year ridership and mileage counts. The transportation formula includes various add-ons that support low-density districts, reward efficiency, and make payments for other types of pupil transportation. Finally, a transportation guarantee is included to ensure that each district's transportation aid in FY 2024 and FY 2025 does not fall below its FY 2020 transportation aid prior to any budget reductions. Transportation for special education students who cannot be transported by regular school bus is reimbursed separately through a formula funded outside state foundation aid. State transportation funding totaled \$753.9 million in FY 2024, funded through GRF line item 200502, Pupil Transportation.

Regular education transportation

Base transportation aid

School districts vary widely in geographic size and student density. The average school district covers 68 square miles. However, district territory varies from as little as one square mile (New Boston Local in Scioto County) to as large as 546 square miles (Switzerland of Ohio Local in Monroe County). Some districts are densely populated and transport large numbers of students over relatively short distances, while others are more sparsely populated, meaning school buses must travel greater distances to transport students to and from school.

The base transportation formula recognizes these differences by distributing funds based on a formula that looks at two statewide cost measures: the average cost per pupil transported and the average cost per mile driven. The average statewide cost measures are based on data for the prior fiscal year. For example, the statewide average costs used in the formula for FY 2024 used cost data from FY 2023. DEW computes the statewide average cost for both measures after removing the ten highest and lowest districts for each respective measure. The statewide average cost per rider for FY 2024 was \$1,168 while the average statewide cost per mile was \$6.13. The formula counts a district's resident students enrolled in preschool and regular education in grades K-12 who are provided bus service by the district, including students enrolled in joint vocational school districts, community schools, STEM schools, or nonpublic schools. A district's "qualifying ridership" for funding purposes is the greater of the riders counted in the morning or the afternoon during the first full week of October. The formula applies weights of 1.5 and 2.0 to the counts of riders enrolled in community and STEM schools and nonpublic schools, respectively. In FY 2023, the formula also began applying the same weights to the miles driven to transport community and STEM school students and nonpublic school students.

Qualifying ridership =

The greater of the average morning or afternoon count during the first full week of October of resident, preschool and grades K-12 regular education students transported by a district.

The formula multiplies the statewide cost per rider by the current year weighted rider count for the district to determine a district's rider base. Similarly, a district's mile base equals the statewide cost per mile times the district's current year number of weighted miles driven. The greater of the district's rider base and mile base is multiplied by the greater of the district's state share percentage or the minimum transportation state share, which is 37.50% in FY 2024

and 41.67% in FY 2025. The table below illustrates the process for calculating base transportation aid in FY 2025.

Calculation of Base Transportation Aid

Statewide cost per rider = Total cost divided by qualifying ridership for all districts for the prior fiscal year after removing the 10 districts with the highest and the 10 districts with the lowest costs per rider

Weighted ridership = Riders enrolled in the district + (Community and STEM school riders transported by district x 1.5) + (Nonpublic school riders transported by district x 2.0)

Statewide cost per mile = Total cost divided by total miles for all districts for the prior fiscal year after removing the 10 districts with the highest and the 10 districts with the lowest costs per mile

Weighted miles driven = Number of miles driven to transport riders enrolled in the district + (Number of miles driven to transport community and STEM school students x 1.5) + (Number of miles driven to transport nonpublic school students x 2.0)

District's rider base = Statewide cost per rider x weighted ridership

District's mile base =
Statewide cost per mile x district's weighted miles driven

District's percentage of payment =
Greater of district's state share percentage or (37.50% in FY 2024 or 41.67% in FY 2025)

District's base transportation aid =
District's percentage of payment x (Greater of district's rider base or district's mile base)

In FY 2024, school districts reported that yellow school buses transported approximately 705,800 qualifying riders. Of this amount, 31,300 (4%) riders were enrolled in nonpublic schools and 11,000 (2%) riders were enrolled in community schools. Weighted ridership totaled 742,600. Also in FY 2024, yellow buses traveled an average of over 771,000 miles on a daily basis, including about 57,300 (7%) daily miles to transport nonpublic school students and 16,700 (2%) daily miles to transport community school students. Overall, weighted daily mileage totaled over 836,600, equivalent to approximately 151 million miles over the course of the school year. Base transportation aid for yellow school buses totaled \$509.0 million in FY 2024. Because of their small size, nine districts did not provide yellow bus transportation in FY 2024 and, thus, did not receive base transportation aid. These districts were six square miles in size or less.

Efficiency adjustment

The transportation formula provides an efficiency adjustment to traditional districts that transport more than a target number of students per bus. DEW calculates the target number for each district based on the statewide median riders per bus adjusted for the density (riders per square mile) of the district. An efficiency index is determined for each district by dividing the

district's actual riders per bus by its target riders per bus. If the district's efficiency index is at least 1.5, then it receives additional funding equal to 15% of its base transportation payment. If the district's efficiency index is less than 1.0, then it receives no additional funding. If the district's efficiency index is between 1.0 and 1.5, the additional funding it receives is equal to its base payment times a percentage that increases from 0% to 15% on a sliding scale as the district's index gets larger. In FY 2024, the efficiency adjustment totaled \$24.9 million for 410 (67%) districts. The calculation of the efficiency adjustment is summarized below.

Efficiency Adjustment

District's efficiency index = District's actual riders per bus / District's target riders per bus

If District's efficiency index is ≤ 1.0 , then
District's efficiency adjustment percentage = 0%;

If District's efficiency index is between 1.0 and 1.5, then
District's efficiency adjustment percentage = 0% to 15% on a sliding scale;

If District's efficiency index is ≥ 1.5 , then
District's efficiency adjustment percentage = 15%

District's efficiency adjustment =
District's base transportation aid x District's efficiency adjustment percentage

Density supplement

A supplement is provided to districts with low density to aid them with transportation operating costs. To calculate the supplement amount, a supplement percentage is first calculated for each district. This percentage is based on a district's rider density, which is equal to the district's riders divided by the district's geographic area, in square miles. The supplement percentage is calculated by subtracting the district's rider density from a density threshold of 28 and dividing that value by 100. Thus, lower density districts have a higher supplement percentage, up to a theoretical maximum of 28%. Districts that have a rider density above the density threshold in each fiscal year do not receive funding from this component. The district's density supplement is calculated by multiplying the supplement percentage by the district's mile base from the base transportation formula and then by a fixed value of 0.55. The density supplement amounted to \$43.4 million for 385 (63%) districts in FY 2024. The table below illustrates this calculation.

Density Supplement

Density threshold = 28

District's rider density = district qualifying riders / district square miles

District's supplement percentage = (density threshold – district's rider density) / 100

Density Supplement

District's density supplement = District's supplement percentage x district's mile base x 0.55
If the calculation results in a negative number, then density supplement = \$0

Payment for other types of transportation

Some school districts offer pupil transportation other than through yellow school buses, including public transit and district or privately owned vehicles that are not yellow school buses. These other types of transportation are reimbursed through a method determined separately through rules adopted by DEW. The amount calculated for other types of transportation totaled \$11.4 million for 111 (18%) districts in FY 2024. These payments mainly supported costs incurred by several of the very large urban districts that use public transit to transport a portion of their students.

Transportation guarantee

The formula includes a transportation guarantee that ensures each district's transportation aid does not fall below its FY 2020 transportation aid prior to any reduction ordered by the Governor and adjusted for transportation aid transferred to community schools. The transportation guarantee provided \$29.3 million in FY 2024 for 44 (7%) districts. The table below shows the calculation for a district's transportation guarantee amount.

Transportation Guarantee

District's base funding for transportation = FY 2020 calculated aid before budget reductions for transportation aid - Transfers to community and STEM schools for transportation aid

District's transportation guarantee funding = Greater of \$0 or [District's base funding for transportation - (District's base transportation aid + District's efficiency adjustment + District's density supplement + District's payment for other types of transportation)]

Total regular education transportation funds

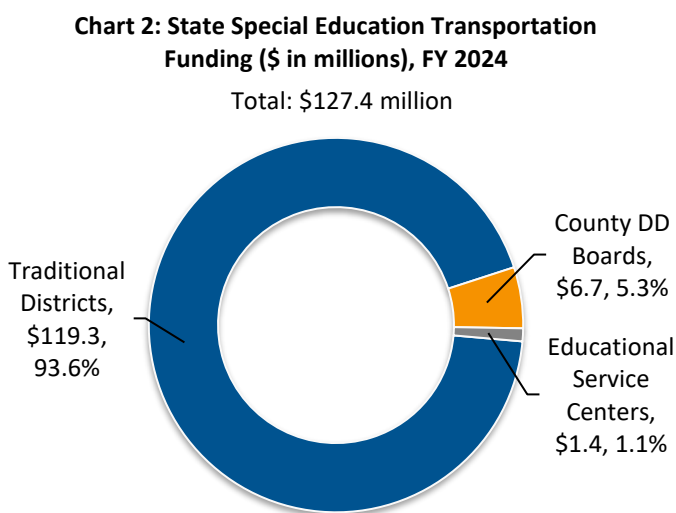
A district's total regular education transportation funding is the sum of its base transportation aid, efficiency adjustment, density supplement, payment for other types of transportation, and transportation guarantee. Statewide, regular education transportation funds totaled \$617.9 million in FY 2024.

Total Regular Education Transportation Funds

District's total regular education transportation funds = District's base transportation aid + District's efficiency adjustment + District's density supplement + District's payment for other types of transportation + District's transportation guarantee

Special education transportation

The state also provides funds outside of the main transportation formula to school districts, county developmental disabilities (DD) boards, and educational service centers (ESCs) to provide required transportation services to students with disabilities whom it is impossible or impractical to transport by regular school bus. A school district receives an amount equal to the actual cost incurred in the prior fiscal year to transport those students multiplied by the greater of the district's state share percentage or 37.50% for FY 2024 and 41.67% for FY 2025. County DD boards and ESCs are funded through a nearly identical formula, except that the state share percentage for these entities is a uniform 37.50% in FY 2024 and 41.67% in FY 2025. School districts, county DD boards, and ESCs together reported \$285.7 million in special education transportation costs for FY 2023. The state payment provided \$127.4 million in FY 2024. Chart 2 shows the allocation of these payments, of which the vast majority, \$119.3 million (94%), went to school districts. County DD boards received \$6.7 million (5%) and ESCs received \$1.4 million (1%). In FY 2024, special education transportation funding was prorated to 91.5% of the calculated amount to avoid exceeding the amount appropriated for the payments.



Community school transportation

Generally, a district must provide transportation for students in grades K-8 who live more than two miles from school, whether they attend district schools, community schools, or chartered nonpublic schools. However, community schools may transport their own students and receive a payment for doing so, either by unilaterally assuming the district's transportation responsibility or through an agreement with the students' resident school district. A community school's transportation payment depends on whether it acts unilaterally or has an agreement with a resident school district to transport students. In FY 2024, all 40 community schools that transported students did so through unilateral authority without entering into an agreement. In these cases, a community school's transportation payment is equal to the statewide cost per rider for traditional districts (\$1,168 in FY 2024) multiplied by the number of riders the school transports. In FY 2024, the 40 schools received a total of \$8.6 million for transporting over 7,400 riders. While no community schools have entered into an agreement with a school district for transportation, a community school that would do so would be paid according to the terms of the agreement for each student transported.