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 $625.0 million in FY 2022.

Contents

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 gurantee is included to ensure that each district's transportation aid in FY 2022 and FY 2023 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.

The table below shows transportation operating expenses reported by school districts and other public schools, transportation reimbursements from the state (the state share), and the difference (the local share). Expenses are shown for operating costs for school district-owned yellow buses, which are categorized as "Type 1" transportation by the Ohio Department of Education (ODE), and expenses for contracted yellow buses, categorized as "Type 2" transportation. The base transportation formula applies to types 1 and 2. "Other" types of pupil transportation include public transit, payment in lieu of transportation to parents when transportation is deemed impractical, 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 the State Board of Education. State contributions to transportation funding totaled $625.0 million in FY 2022, or over 54% of the $1.15 billion in transportation operating costs school districts and other public schools reported. Details concerning these payments are provided following the table. Transportation payments are funded through GRF line item 200502, Pupil Transportation.

State and Local Shares of Transportation Operating Expenses, FY 2022 ($ in millions)			
Category	**Expenses**	**State Share**	**Local Share**
Type 1 and 2 Total	$869.1	$411.2	$457.9
Efficiency Adjustment	--	$20.6	-$20.6
Density Supplement	--	$36.9	-$36.9
Transportation Guarantee	--	$41.5	-$41.5
Other Types	$22.5	$11.2	$11.3
Regular Education Total	**$891.5**	**$521.4**	**$370.2**
Special Education	$251.9	$99.1	$152.8
Community School Transportation	$4.7	$4.6	$0.1
Grand Total	**$1,148.2**	**$625.0**	**$523.1**

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, thus, transport large numbers of students while others are more sparsely populated (or less dense), which means that 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. Historically, the average statewide cost measures have been based on data for the prior fiscal year. For FY 2022 and FY 2023, however, H.B. 583 of the 134th General Assembly temporarily requires that FY 2020 statewide average transportation costs per rider and per mile be used in the formula instead of the prior year's costs, since FY 2021 costs were unusually high due to a decrease in ridership as a result of the pandemic.

Statewide average cost is computed for both of these measures after removing the ten highest and lowest districts for each respective measure. The statewide average cost per rider for FY 2020 was $1,058 while the average statewide cost per mile was $5.15. 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. The greater of the riders counted in the morning or counted in the afternoon during the first full week of October represents a district's "qualifying ridership." 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. Beginning in FY 2023, the formula also applies 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 statewide cost per rider is multiplied 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, in FY 2022, the district's current year number of miles driven and, in FY 2023, 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 29.17% in FY 2022 and 33.33% in FY 2023. The table below illustrates the process for the base transportation aid.

Base Transportation Aid
Statewide cost per rider = Total cost divided by qualifying ridership for all districts for FY 2020 after removing the 10 districts with the highest and the 10 districts with the lowest cost 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 FY 2020 after removing the 10 districts with the highest and the 10 districts with the lowest cost per mile
Weighted miles driven (for FY 2023 only) = 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 =   In FY 2022, Statewide cost per mile x district's miles driven;   In FY 2023, Statewide cost per mile x district's weighted miles driven
District's percentage of payment =   Greater of district's state share percentage or (29.17% in FY 2022 or 33.33% in FY 2023)
District's base transportation aid =   District's percentage of payment x (Greater of district's rider base or district's mile base)

In FY 2022, school districts reported that yellow school buses transported approximately 679,600 qualifying riders. Of this amount, 31,300 riders were enrolled in nonpublic schools and 10,400 riders were enrolled in community schools. Weighted ridership totaled 716,150. Also in FY 2022, yellow buses traveled an average of over 814,900 miles on a daily basis, equivalent to approximately 147 million miles over the course of the school year. Base transportation aid totaled $411.2 million in FY 2022. The amount calculated for other types of transportation totaled $11.2 million for 89 districts.

Efficiency adjustment

The transportation formula provides an efficiency adjustment to traditional districts that transport more than a target number of students per bus. ODE 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 2022, the efficiency adjustment totaled $20.6 million for 397 (65%) 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 payment 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 $36.9 million for 387 (64%) districts in FY 2022. 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
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

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 $41.5 million in FY 2022 for 170 (28%) 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 payment for other types of transportation + District's efficiency adjustment + District's density supplement)] |

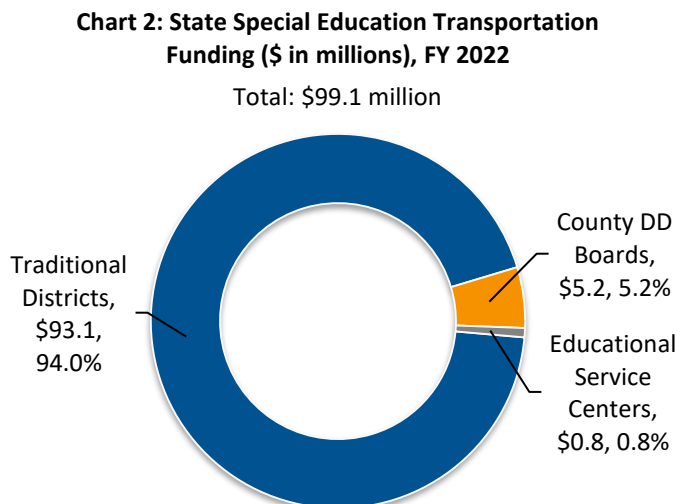## Total state and local shares for regular education transportation

For FY 2022, transportation operating costs reported by school districts for regular education students totaled approximately $891.5 million statewide. As shown in Chart 1 below, the state share of the base transportation formula, transportation formula add-ons, and transportation guarantee supported approximately $521.4 million (58%) of these costs. The difference, $370.2 million (42%), was covered by school districts.

Chart 1: State and Local Shares of Transportation Costs for Regular Education Students ($ in millions), FY 2022

State Share, $521.4 , 58.5%

Local Share, $370.2 , 41.5%
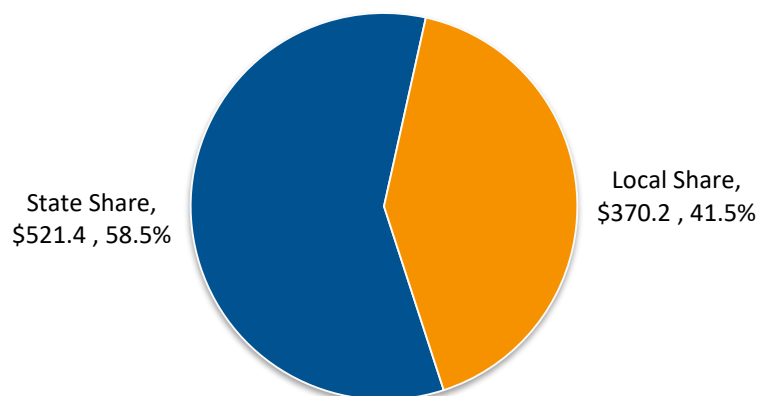
Special education transportation

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 29.17% for FY 2022 and 33.33% for FY 2023. County DD boards and ESCs are funded through a nearly identical formula, except that the state share percentage for these entities is a uniform 29.17% in FY 2022 and 33.33% in FY 2023. School districts, county DD boards, and ESCs together reported $251.9 million in special education transportation costs for FY 2022. Of this amount, the state supported $99.1 million, or about 39%. Chart 2 shows the allocation of these payments, of which the majority, $93.1 million (94%), went to school districts. County DD boards received $5.2 million (5%) and ESCs received about $790,000 (1%).

Chart 2: State Special Education Transportation Funding ($ in millions), FY 2022

Total: $99.1 million

Traditional Districts, $93.1, 94.0%

County DD Boards, $5.2, 5.2%

Educational Service Centers, $0.8, 0.8%

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 through an agreement with the students' resident school district or by unilaterally assuming the district's transportation responsibility. In general, a community school's transportation payment is equal to the statewide cost per rider for traditional districts ($1,058) multiplied by the number of riders the school transports. In FY 2022, a total of $4.6 million in transportation funding was provided to 24 community schools for over 4,300 riders.