

School Districts Stuck with Higher Busing Costs in Proposed Formula

By Claire Suggs, Senior Education Policy Analyst

Rural school districts and others with high student transportation costs stand to lose financially under the funding formula proposed by Gov. Nathan Deal's Education Reform Commission. The commission's recommendations call for eliminating the current grant program that sends transportation dollars to districts and instead shifting the grant money to the general per-student amount allotted to districts. In effect, this would replace a program that accounts for the wide variation in districts' transportation expenses with one that sends every one of Georgia's 180 distinct districts the same per-student amount. This shortchanges districts with above average costs. Ending the grant program also poses long-term financial challenges for districts. State lawmakers have underfunded the transportation grant formula for years. Eliminating the program altogether locks in this shortfall.

Proposed Formula Ignores Big Differences in Districts' Transportation Costs

The cost of transporting students to and from school safely varies significantly across Georgia and tends to be higher in rural parts of the state. Districts and state charter schools spent \$474 per student on average in the 2016 fiscal year but many districts spent much more. Ninety of Georgia's 180 districts spent \$500 or more with 41 spending at least \$600 on every student. Seven districts spent \$900 or more per student. At the lower end, 27 school districts and state charter schools reported spending \$250 or less. That includes nine schools that had no transportation expenses and two that spent less than \$1 per student. State funding to cover these costs ranged from \$250 or more per student in 14 districts to less than \$25 in nine districts. Average per student state funding was about \$73.

Cost of Paying for Transportation Varies Widely Across Districts

Per-Student Transportation Cost	\$0-\$250	\$251-\$500	\$501-\$750	>\$751
# of Districts & State Charter Schools	19	71	82	27

Source: Georgia Department of Education, District Expenditure Report, Fiscal Year 2016

The commission's proposed funding formula ignores these cost variations. This leaves districts with higher costs at a disadvantage compared to districts and state charters with lower transportation costs or none.

New Formula Makes Current Transportation Funding Shortfall Permanent

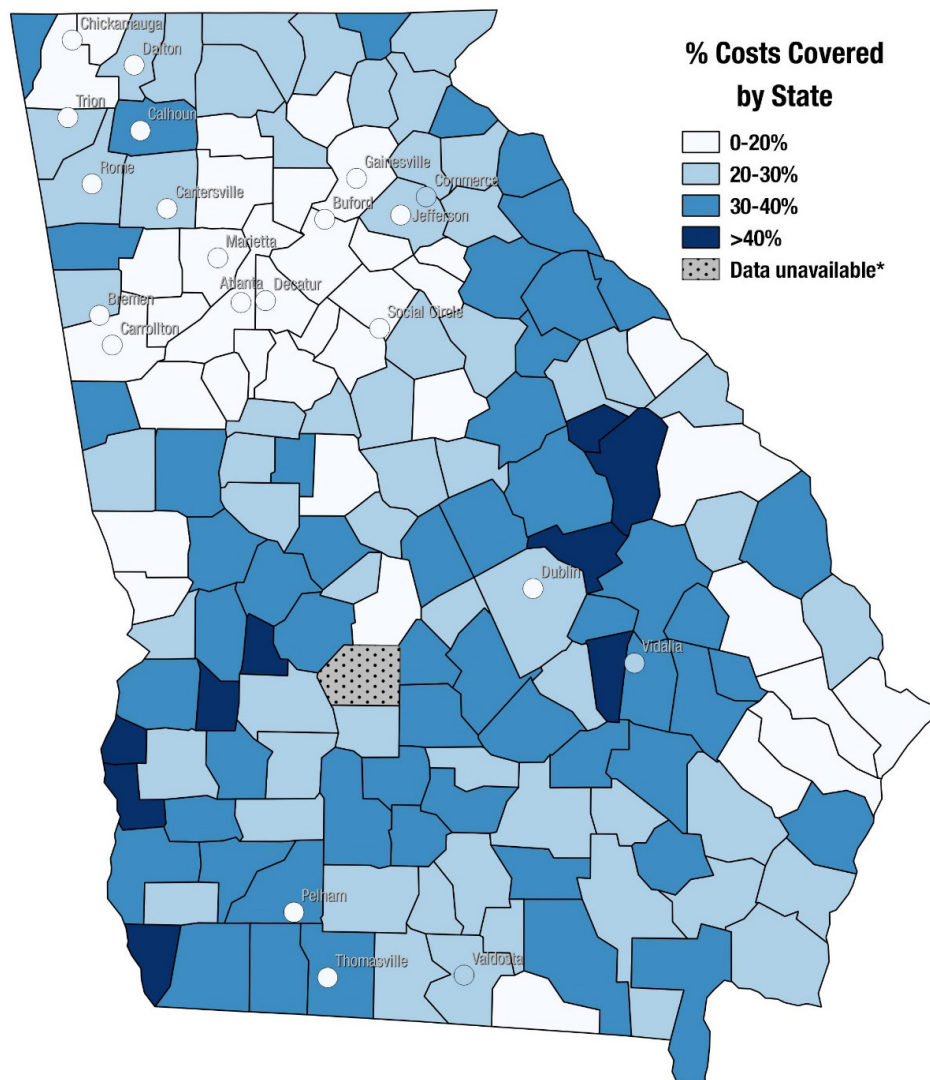
The state's share of student transportation funding has been reduced for years even as the number of students increased. State money paid for only 15 percent of districts' student transportation costs in the 2016 budget year, compared to 39 percent in 2000 and 49 percent in 1996. One reason for the decline is the state provides only a small portion of its own transportation formula, which determines how much each district should receive. In addition, the numbers the state uses to determine how many students should be allotted transportation money are old. Statistics on regular education students are at least 20 years old for 70 districts and the same is true for special education students in 80 districts. To offset the shortfall, school districts divert local revenue from

classrooms to cover transportation expenses. Districts compensated by using local revenue for transportation expenses instead of in the classroom as a result of declining state support.

Lawmakers can prevent new financial hardship for school districts if they keep student transportation funding as a separate program in any new funding formula for public schools. This would account for varied transportation costs among districts and state charter schools. Lawmakers can also ensure districts do not have to continue shifting local money from the classroom to running school buses by developing and funding a plan to increase state support for student transportation. The state mandates that districts bus students to and from school. That carries an obligation to cover its share of the cost.

State Shifts Cost to Bus Schoolchildren to Districts

Twenty years ago, Georgia paid half the cost to transport schoolchildren. Now the percentage is much smaller in nearly all school systems.



*Transportation expenditure data is not available for Dooly County