

Options for K-12 Transportation Funding



K-12 Transportation Funding Sources

Foundation Matrix

Isolated Funding

Desegregation Funding

Federal Funding



FY11 Transportation Funding

TransCost =
Foundation + Isolated + Deseg + Federal

$$\$178 = \$138 + \$5 + \$25 + \$10$$

$$\$168 = \$138 + \$5 + \$25$$

$$\$143 = \$138 + \$5$$

$$\$138 = \$138$$

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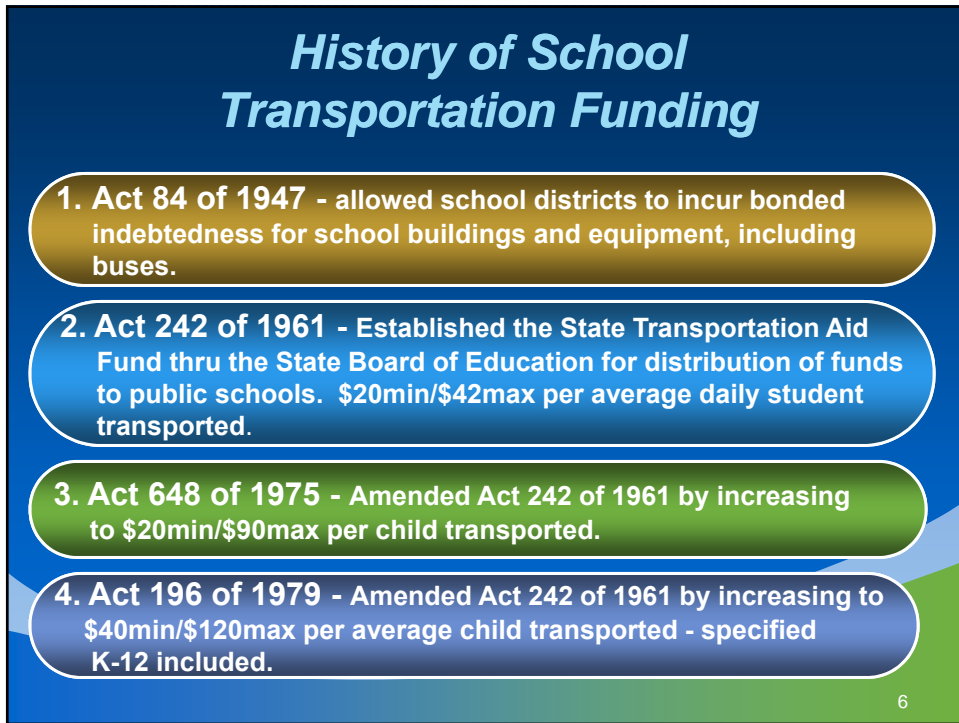
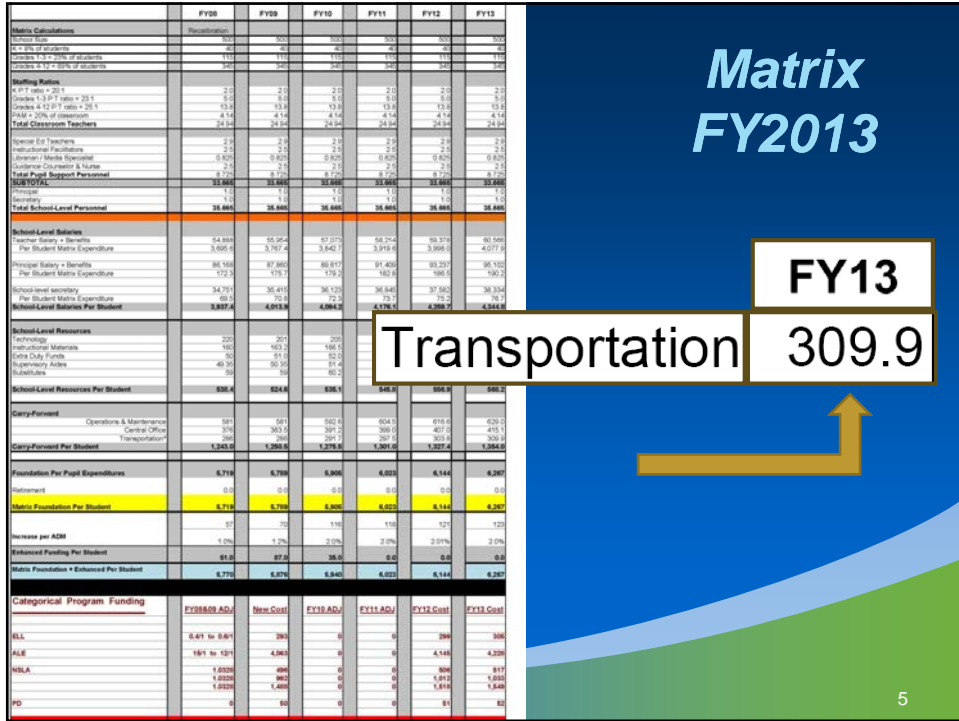
	FY08	FY09	FY10	FY11
Matrix Calculations				
School Size	Recalibration	200	200	200
K = 8% of students		20	20	20
Grades 1-3 = 23% of students		115	115	115
Grades 4-12 = 69% of students		145	145	145
Staffing Ratios				
K-P-T ratio = 20:1		2.0	2.0	2.0
Grades 1-3 P-T ratio = 25:1		5.0	5.0	5.0
Grades 4-12 P-T ratio = 25:1		13.8	13.8	13.8
PAid = 20% of classroom		4.14	4.14	4.14
Total Classroom Teachers		24.94	24.94	24.94
Special Ed Teachers		2.9	2.9	2.9
Instructional Facilitators		2.5	2.5	2.5
Librarian / Media Specialist		0.825	0.825	0.825
Guidance Counselor & Nurse		2.5	2.5	2.5
Total Support Personnel		8.725	8.725	8.725
SUBTOTAL		33.665	33.665	33.665
Principal		1.0	1.0	1.0
Secretary		1.0	1.0	1.0
Total School-Level Personnel		35.665	35.665	35.665
School-Level Salaries				
Teacher Salary + Benefits		54,880	55,994	57,073
Per Student Matrix Expenditure		3,065.6	3,707.4	3,842.7
Principal Salary + Benefits		86,168	87,660	89,617
Per Student Matrix Expenditure		172.3	175.7	179.2
School-level secretary		34,751	35,415	36,125
Per Student Matrix Expenditure		69.5	70.8	72.3
School-Level Salaries Per Student		3,937.4	4,013.9	4,094.2
School-Level Resources				
Teacher Continuing Ed Pay (5 days)		0.0	0.0	0.0
Technology		200	201	201
Instructional Materials		160	163.2	166.4
Extra Duty Funds		60	51.0	42.0
Supervisory Aides		49.35	50.35	51.35
Substitutes		59	59	59
School-Level Resources Per Student		538.4	524.8	510.4
Carry-Forward				
Operations & Maintenance		581	581	582.6
Central Office		370	383.5	391.2
Transportation		286	286	291.7
Carry-Forward Per Student		1,243.6	1,250.9	1,275.5
Foundation Per Pupil Expenditures				
Retirement		0.0	0.0	0.0
Matrix Foundation Per Student		3,718	3,788	3,905
Increase per ADM		87	70	118
Balance Funded Per Student		1.0%	1.2%	2.0%
Matrix Foundation + Enhanced Per Student		5,770.6	5,676.0	5,940.0
Categorical Program Funding				
	FY08-09 Adj.	New Cost	FY10 Adj.	FY11 Adj.
ELL	0.44 to 0.61	293	0	0
ALE	151 to 121	4,063	0	0
NSLA	1,0328	498	0	0
	1,0328	982	0	0
	1,0328	1,489	0	0
	0	0	0	0

Matrix FY2011

FY11

Transportation 297.5

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History of School Transportation Funding Continued...

- 5. **Act 83 Of 1983** - Amended Act 242 of 1961 by increasing to \$70min/\$280max per average child transported.
- 6. **Act 840 of 1991** - Required any remaining balance in a school district's state transportation funds balance not used by the end of the biennium to be returned to the ADE for deposit into the fund and redistributed.
- 7. **Act 1133 of 1997** - Repeal of A.C.A. 6-20-219 (Act 242 of 1961) and replaced with High Cost Transportation Funding Formula.
- 8. **Act 373 Of 1999** - Modification of A.C.A. 6-20-1703 (Act 1133 of 1997) for clarification and increased allowances.
- 9. **Act 2138 of 2005** - Repealed A.C.A. 6-60-1701 et seq. (Act 1133 of 1997), and replaced with current formula.

**ARKANSAS K - 12
TRANSPORTATION FUNDING**

Historically, what method of distribution was used?

1961 to 1997

Average Child Transported [Riders]

1991 to 1997

Transportation funds were "restricted" and returned if unused [Categorical?]

2005 to Present

\$X per ADM [O & P temporary resolution]

Odden and Picus

*The Arkansas Recalibration Report
August 30, 2006*

- **Page 72:** ... we have used existing 2004-05 transportation expenses by district inflated to 2007-08. This 2007-08 estimate averages \$286 per ADM, but varies considerably by district from a low of \$67 to a high of \$695 per pupil.

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Continue... Odden and Picus

- **Page 79:** ... we recommend that the transportation figure be removed from the new “per pupil” amount and provided to districts as a separate grant, providing each district with the amount actually spent per pupil on transportation in 2004-05 inflated up to an appropriate figure for 2007-08 until the state creates a more standards- and research-based transportation funding formula.

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Continue... Odden and Picus

- Page 80: ... we recommend a transportation categorical program which would average \$286 per pupil in 2007-08, but based on district's actual transportation expenditures in 2004-05 inflated up to a 2007-08 base, AND to be replaced by a standards-based formula in the future.

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Act 624 of 2007

- A.C.A. § 10-3-317 (a) (1) The Department of Education shall provide the Bureau of Legislative Research with direct read and report only access to the department's data warehouse concerning school districts and related records.

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Transportation Variables

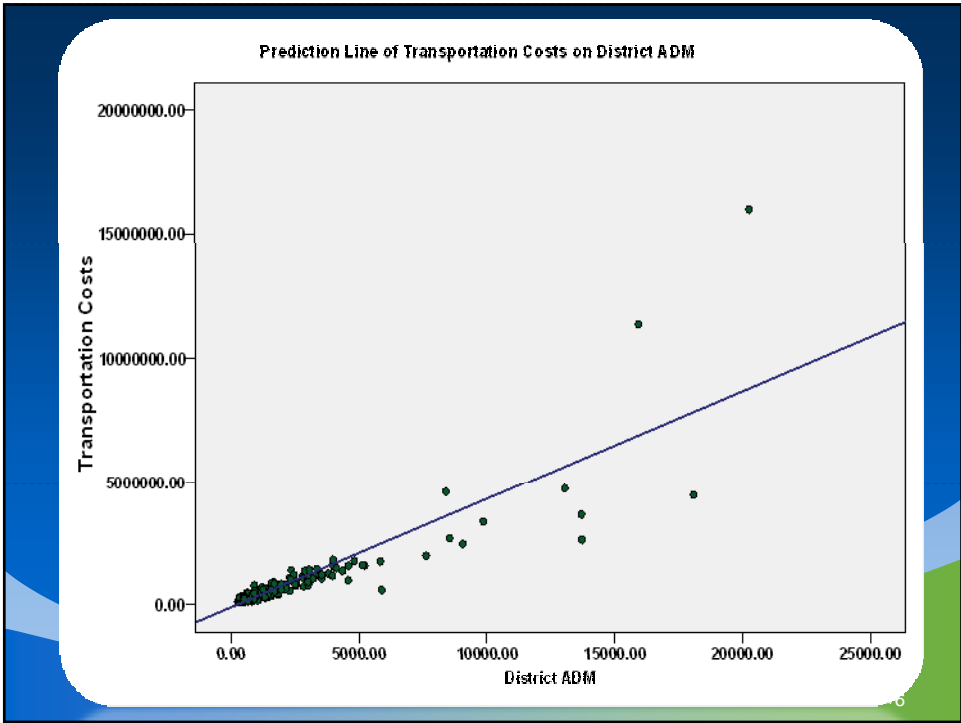
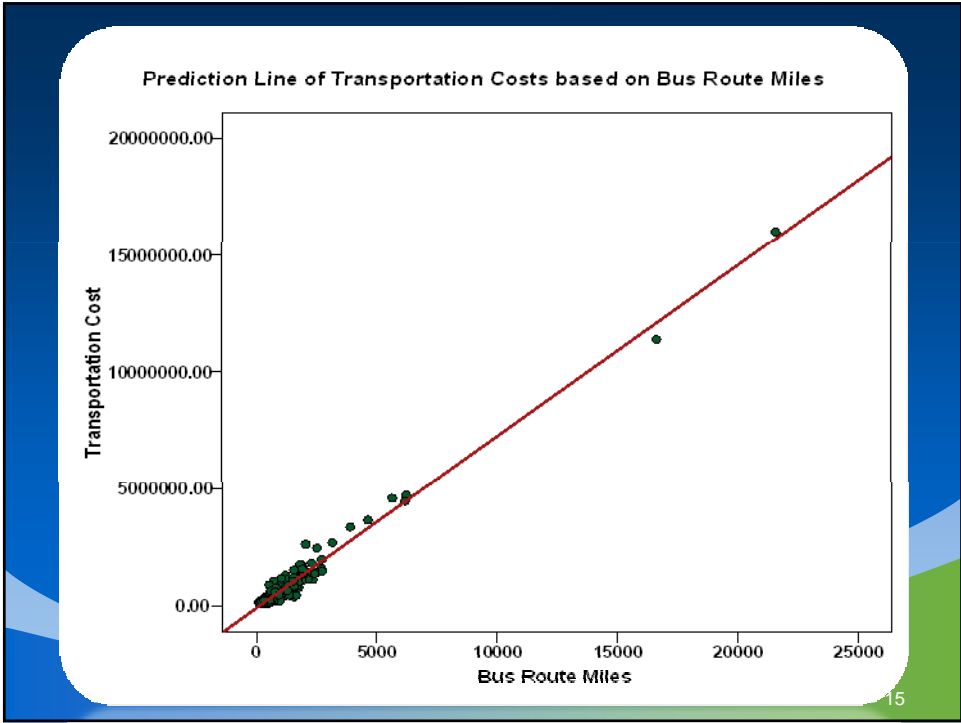
- Cost
- ADM
- District Area (square miles)
- Number of Students Transported
- Daily Linear Route Miles
- Number of Buses
- Ratios:
 - ADM / District Area
 - Number Transported / District Area
 - ADM / Miles

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Methodology

- $Y = \alpha + \beta X + \varepsilon$
- $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 \dots\dots + \beta_i X_i + \varepsilon$
- Coefficient of determination = ESS / TSS
- Stepwise Procedure:
 - $Y = f(X)$
 - $Y = f(X, Z)$
 - $Y = f(X, Z, Q)$
 - $Y = f(X, Z, Q, \dots\dots V)$

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$$\text{TransCost} = \beta_1(\text{miles}) + \beta_2(\text{riders}) + \beta_3(\text{ADM})$$

$$R^2 = .975$$

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New Funding Method

Total Current Ark. School Districts = 239

New Distribution Method – No Offsets:

- Districts Receiving More Transportation Funding = 203
- Districts Receiving Less Transportation Funding = 36

New Distribution Method – Including Offsets:

- Districts Receiving More Transportation Funding = 150
- Districts Receiving Less Transportation Funding = 89

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New Funding Method

Advantages

- Provides better accuracy in the prediction and the distribution of Transportation Funding
- Complies with O & P prescribed funding structure
- Difficult to manipulate
- Categorical funding need not be restricted

Disadvantages

- Temporary harm to a few districts
- Alters a funding system blessed by the Court

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Options

Do nothing -- continue to distribute transportation funding by ADM as a line – item in the Foundation Matrix

Pull \$309.90 out of the Matrix and create a Transportation Categorical

Leave \$127 in the Matrix as Foundation Transportation and remove the remainder of the funding to create a partial Transportation Categorical due to higher cost

Continue to treat the three school districts in Pulaski County differently until the Desegregation issues are resolved

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