



# District Transportation Funding & Reimbursement:

*Where to Start and What to Consider*

## Transportation Statute Limitations & Restrictions



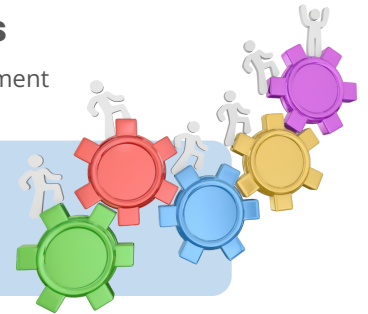
**Transportation statutes currently govern the eligibility criteria and process for District Transportation reimbursement.** These statutes are outdated, many originating from 50+ years ago, resulting in out-of-touch restrictions and limitations, as well as unnecessarily complicated processes and formulas for both districts and CDE to follow. These belabored requirements impose time, resource, and financial strain on districts to report and comply and for CDE to govern.

**Currently, the statutes only allow reimbursement of costs to transport students to and from school.** No reimbursement for other school related activities is currently allowed under state statute, as a result any expenses accrued for other types of transportation, must be completely covered by the district. **On average, only a tiny fraction, less than 25%, of the eligible expenditures are reimbursed by the state.** For some schools, the eligible reimbursement is so small that the workload is more than the pay off so these schools have decided to opt of the process entirely. **Without changes to state statute, no changes to the reimbursement process can occur.**

## Simplifying the Reimbursement Process

In 2021, the FPP Transportation Subcommittee recommended methods for simplifying the reimbursement process. The Subcommittee had the following goals:

- Reducing data requirements to help simplify and increase efficiency
- Providing base level funding to ensure equity and fairness for all districts
- Maintaining a robust checks and balances process
- Defining a consistent methodology to allow for a single payment process



Following months of meetings, discussions, research, and extensive modeling, the subcommittee was able to successfully narrow recommendations down to two scenarios that met all four goals.

### Scenario One: Single Factor

- Uses district operating expenditure to calculate funding
- Uses 2-year prior actuals for calculations
- \$20K base funding provided to all districts
- Provides a hold harmless to ensure noone loses funding

### Scenario Two: Dual Factor

- Uses 60% operating expenditures and 40% reimbursable route miles to calculate funding
- Provides \$0.57 reimbursement per mile
- Uses 2-year prior actuals for calculations
- \$10K base funding provided to all districts
- Provides a hold harmless to ensure noone loses funding



**SB 23-094 Section 22-107-104 (2b)** states that the Transportation Task Force must make recommendations for the simplification of the reimbursement process based on the work of the FPP Transportation Subcommittee.

## Enhancing Transportation Funding

**Current transportation funding is part of the state's categorical education funding, as such, asking for an overall increase in transportation funding could come at the detriment of other categorical funding areas.**

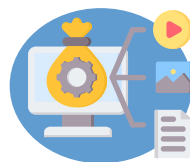
Careful consideration will need to be given when making recommendations regarding additional funding and sustainable funding for transportation. Recommendations that do not include clear guidelines regarding where additional transportation funding would come from could lead to a decrease in funding for other categorical areas.



### SB 23-094 Section 22-107-104 (2c&d)

states that the Transportation Task Force must make recommendations to help identify existing and potential funding sources and make recommendations regarding creating and implementing sustainable funding mechanisms.

## What is Categorical Funding?



The major categorical programs funded by Colorado are support for services and instruction for English-language learners; special education; gifted and talented education; vocational education; and **school transportation**.

This funding amount will always increase by inflation and cannot be reduced, however one pot of money is used to fund all categorical areas, and as a result, increasing funding to one area can lead to a decrease in other areas. Typically allocation is done based on a gap analysis but ultimately it is up to the legislature as to how the categorical funding is allocated to the programs.