



School Transportation Task Force Agenda

September 5, 2024 10:00 AM - 1:00 PM

[SB23-094](#)

Task Force Members Present: Casey Ungs, Chad Miller, Jessica Morrison, Leiton Powell, Erin Camper, David Werner, Micheal Madden, Robert DiPietro, Sarah Swanson, Joel Newton, Dustin Kress, Albert Samora, Brenda Dickhoner, Kevin Vick, Amy Lloyd, Jen Douglas, Stephanie Hansen, Morgan Judge, Nicholas Martinez, Michelle Exstrom

Task Force Members Absent: Daine Shiele, Jana Schleusner, Steve McCracken, Dave Slothower, Debra Johnson, Kaycee Headrick, Trevor Byrne

Facilitator, & Support: *Dillinger Research and Applied Data*- Kate McDonald, Katherine Tartaglia, Sarah Sullivan, *Colorado Department of Education*- Susan Miller, Jennifer Okes, Kelly Weidemer-CDE

Attendees: Allison Nicotera, Fred Stewart, Rich Hull, Yolanda Lucero, Rebecca Sykes

Welcome and Agenda Review

- Meeting started at 10:03 because the group was waiting for quorum.
- Kate reviewed the agenda items (slide 3), guidelines for interactions, deliberation, and collaboration (slide 4), and design thinking (slide 5).
- Kate reviewed the project plan (slide 6), the overall charge of the Task Force (slide 7), and the minimum requirements agreed upon by the group during past meetings (slides 8-10).

Agenda Item- Overall Transportation Funding

- Kate reviewed the overall education funding structure utilized by the state and explained that transportation funding is part of categorical funding which is determined after student allocations and district adjustments are made to the budget.
- Kate then reviewed in more detail how categorical funding worked including the areas included in the funding allocation, how inflationary adjustments are made each year and how all areas of categorical funding are inherently tied together since it is distributed as one lump sum. As a result Kate reminded the group that if they ask for transportation funding to be increased it could result in other areas funding decreasing, depending on exactly how the Task Force made their recommendation.
- Jennifer mentioned in response to a comment from Kevin in the chat that the group that they would need to review the implications of the impact of the tax split between local and state.
- Michael mentioned that a new measure would put 160 million on the state to make up for limited local taxes but wouldn't directly affect categoricals but could affect how much the state contributes.
 - Jennifer shared a link to the fiscal note for HB24B-1001 in the chat.
https://leg.colorado.gov/sites/default/files/documents/2024B/bills/fn/2024b_hb24b-1001_r2.pdf
- Kate reviewed the specifics of the first option available to the group for increasing transportation funding that would provide specific language around the amount of the inflationary increase that would go to transportation.
- Michael shared that he believed that the whole inflationary increase in categorical funding went to Special Education for FY25.
- Jennifer said that sounded correct but would need to check before confirming.
- Kate reviewed the specifics of the second option available to the group for increasing transportation funding that would provide a specific dollar amount above and beyond the inflationary increase.

- Jennifer shared with the group that in FY25 the inflationary increase was \$25.9M but a total increase of \$43.5M was made to categoricals. \$34.7M to Special Education and the remainder to the other categorical programs.
- Kate then reviewed a comparison of the two scenarios. She mentioned that in scenario one other categoricals would receive less funding and the amount received by transportation would be dependent on the inflation rate, which at present was unknown. She also mentioned that in scenario two the state would be required to provide additional funding above and beyond what was planned by inflation but other categoricals would not be impacted by the increase and the group could specify a specific dollar amount that would be given to transportation.
- Sarah asked if there was any information received from the districts regarding how much more money they spend outside of the state provided amount.
- Kate stated that most districts are currently receiving approximately 22% of their overall transportation costs reimbursed by the state.
- Jennifer mentioned that the CDE Finance page had historical funding amounts for each district and clarified that districts were only reimbursed for eligible transportation which includes school to home, home to school, and school to school mileage. As a result the actual state support for transportation was much less in some districts than 22% if they provided additional types of transportation.
- Chad asked for reference about the specific dollar amount that has been spent on transportation by districts across the state.
- Kate said the specific dollar amount could be looked up but that the state had provided \$71M last year to cover 22% of the overall eligible expenditure across the state, so based on that, districts were certainly spending well over \$300M a year on transportation.
- Sarah asked if the state was looking into transportation in their Adequacy study.
- Jennifer said that transportation was not specifically being addressed.
- Michael pointed out to the group that in recent years the operation expenses for transportation were up 44% but reimbursement funding had only gone up 33% over the same time period. He said that this meant that unless districts cut transportation the money needed to cover the transportation costs would come out of the classroom.
- Sarah said that she felt like the Task Force was being asked to decide between two bad options. Since the state only covers 22% of transportation expenses it was going to be at the cost of the overall education of the students.
- Chad said that he felt that if they were trying to be equitable it would definitely take more money. He said that he felt that scenario one was not a good option because it basically was “robbing Peter to pay Paul”.
- Kate asked the group if they were interested in proposing unique recommendations based on the specific issue they were trying to address instead of utilizing one of the proposed scenarios.
- Michelle said that she thought the group should come up with something unique. She said that the state is not funding at the level it used to and as a result even if they could get the kids to school the money would be diminished and it would take away from funds to support their learning.
- Kevin mentioned that the state has been relying on an increase in local shares to offset other things in the budget. He said that the group could potentially address the issue by recommending that the state stop shrinking their share and level the responsibility with the local base. He feels that this current practice is short changing education in the long run. He feels that the state must maintain the percentage they are providing to the overall state budget.
- Kate asked the group if in the recommendation they wanted to reference the percentage suggested or the previous time point when the state share was the highest.

- Kevin felt that was a good idea, he pointed out that the ratio of state share has significantly moved. Previously it was $\frac{2}{3}$ and now it is under $\frac{1}{2}$.
- Jennifer referenced current operating expenditures and reimbursement payments in the chat, noting that expenses have increased by 55% while reimbursements have only increased 38%. She suggested that this might be a better way to address the issue because it clearly captures the disconnect.
- Michelle also mentioned to the group that the current reliance on property taxes to support education is an inequitable approach to the issue.
- Chad echoed Michelle's thoughts and said that the group should ensure that socio-economic differences don't become the determination for transportation eligibility.
- Kate reiterated that the group was moving towards a recommendation that focused on the fact that education and transportation specifically need to be funded more fully by the state and that the state needs to work towards increasing the share over the local share provided at present.
- Kate told the group that they would vote on the recommendation after they had discussed changes to the reimbursement process because the two issues were intimately related.

Agenda Item- FPP Subcommittee Recommendations

- Kate reviewed the background of the current reimbursement process, issues with the current process, and the overall goal of the FPP Subcommittee.
- Michael asked if the review process required consideration since the error rate was so high.
- Jennifer mentioned that in the past in depth reviews were initially conducted on a subset of the districts and then all other districts were reviewed during the year. This detailed review led to a large number of issues being identified and in some cases large swings in required pay out amounts that could cause significant changes during the year. The new approach resulted in all districts being reviewed in less detail before the start of the year before money is paid out in an attempt to minimize large swings during the school year.
- Kate reviewed the two recommended reimbursement scenarios developed by the FPP subcommittee.
- Kate reviewed the specifics of the Scenario Six (Single Factor) first, including all its components.
- Jennifer clarified for the group that data provided for this scenario would come from the yearly December Finance Data that is required by the federal government. It would be based on all expenses, no mileage would be considered.
- Susan asked if capital expenditures such as the purchase of new buses would be considered in this model.
- Jennifer said that capital expenditures would not be included but things such as drivers and dispatchers salaries, gas, and maintenance expenses would be.
- Yolanda confirmed that capital expenditures would not be included but all other expenses would be.
- Michael indicated to the group that in the current method tracking mileage for every vehicle was a huge administrative burden on the district and this new formula would save significant time.
- Chad asked if it would be an issue that all districts would receive a based amount. He wondered if this would result in some districts receiving a larger allocation than they currently have and shifting reimbursements away from some districts that need it.
- Jennifer said that to her knowledge only one district did not provide any transportation and all other districts that had opted out of the current reimbursement process did provide transportation so they would not be receiving reimbursements above expenses.
- Jessica asked if in the current process reimbursement was only provided to routes and not activities.
- Jennifer confirmed that was the case and mentioned that if the group went with the single factor scenario reimbursement would be based on 100% of transportation expenditures, regardless of what they were used for.
- Jessica asked if an argument could be made that this proposed scenario could help rural districts by supporting work based learning opportunities since funds could be used to cover those expenditures.

- Jennifer said that the current reimbursement process did include mileage from school to school trips so in some cases transportation to CTE sites could be covered.
- Michael mentioned to the group that this new process would purely be a change in the methodology around how reimbursements were calculated, it would not provide additional funding level, just reduce the amount of work required by districts to receive the reimbursement.
- Kate mentioned to the group that the new proposal did include a hold harmless would help to ensure that district transportation level would not drop from current levels once the new process took effect.
- Jessica mentioned that one of the areas the group had been tasked with was helping districts to reimagine what their school day could look like and more flexibility regarding what a district could be reimbursed for might help support that reimagining.
- Kate reviewed the specifics of Scenario Eight (Dual-Factor) with the group.
- Brenda asked what were the final recommendations of the FPP subcommittee.
- Kate stated that the subcommittee proposed the two scenarios being discussed currently but didn't land on one specifically.
- Jennifer clarified that the FPP subcommittee developed the two scenarios and shared them with the Governor's Office but to implement them requires legislative change and an infusion of state funds to address the hold harmless provision. The subcommittee didn't have the authority to push that through so the recommendations never gained traction.
- Jessica mentioned to the group that she was leaning towards Scenario Six (Single Factor) because of its simplicity and felt that it would help support rural communities in particular. She asked the group what they thought and suggested that members should "poke holes" in her logic.
- Michael said that the only benefit he could see in the dual factor is that it took into consideration mileage but he didn't feel that it helped contribute to the overall issue of transportation expenses being a significant component of equitable education.
- Chad asked if the group could make an adjustment to the additional allocation proposed by the subcommittee for Scenario Six.
- Jennifer mentioned in the chat that according to the bill the recommendations for the simplified reimbursement process needed to be based on the FPP work but didn't need to be exactly equal to the original recommendations so the group could recommend a large amount of additional allocation if they chose to do so.
- Kate asked Rich if there was a specific amount that would be required to completely eliminate all schools from needing hold-harmless funding.
- Rich stated that the problem with trying to completely eliminate hold-harmless funding was that the overall dollar amount required would increase substantially and be cost prohibitive.
- Sarah mentioned that she would love a big theme of the report to be to highlight the fact that there is a significant disconnect between the current level of transportation expenses and level of reimbursement across the state.
- Michelle said that she would propose the group recommend Scenario Six with the additional \$10M allocation.

TEN MINUTE BREAK (11:47 AM)

Discussion resumed at 12:01 PM

Agenda Item- Reimbursement Vote

- Kate reviewed the recommendation being put forth by the Task Force to recommend the FPP Subcommittee's Scenario Six (Single Factor) reimbursement process with an additional \$10M allocation to help address the hold-harmless provision.
- Jennifer mentioned to the group that the additional \$10M allocation would eliminate the need for a hold-harmless allocation for all but one district. Additionally, she mentioned that the \$10M allocation would bring transportation funding up to eliminate the gap that had been created in recent years between the expense and reimbursement levels.
- Vote was taken with all 4s and one 5.
- Michelle asked if this change would require a statutory change as well.
- Kate stated that it would and the members would be voting on language around that issue shortly.

Agenda Item- Increased Transportation Funding Vote

- Kate reviewed the recommendation being put forth by the Task Force to recommend that the state increase its share of education funding, specifically with regards to transportation, to alleviate the increased burden on local communities to fund education.
- Jennifer reminded the group that with the additional \$10M allocation that was recommended for the reimbursement process, the funding gap that had been created through FY23 would essentially be addressed.
- Michelle asked if this additional \$10M would be a one time allocation or if it would be repeated.
- Jennifer said it would be a one time infusion.
- Kate reminded the group that the hold-harmless, if continuous, could help ensure that districts were not losing money in the future, which would help to maintain gains made by the one time allocation.
- Michael asked if there was a timeline on the hold-harmless.
- Jennifer said that she wasn't sure if the FPP Subcommittee had decided but the Task Force could offer considerations around that component. As an example she said that the At-Risk Task Force recommended that the hold-harmless be reconsidered after a year and then again every five years.
- Rich said that reconsidering each year would be a lot of work so that was probably not feasible.
- Michelle said that she felt that every five years made sense because that would take into account potential changing demographics.
- Michael asked if the hold-harmless was based on a specific dollar amount or a percentage of the expenses.
- Michelle stated that hold-harmless calculations are typically based on maintenance of effort and percentage is typically used. She suggested using that since there is a precedent.
- Yolanda mentioned to the group that when the hold-harmless was calculated for the scenario it was based on the rolling average of payments made to the district over the prior three years.
- Jennifer mentioned to the group that if they went with this mention it would help to take into account if districts decreased their transportation costs over time they would not continue to receive funding but not offer transportation. Additionally, she mentioned that the At-Risk Task Force reevaluated the hold-harmless after a year because it was a new type of data collection. In the case of transportation this is known so just having it reevaluated every five years would probably make more sense.
- Michelle stated that with maintenance of effort there is a percentage of the budget that must go to a given area to continue to receive funding.
- Jennifer clarified that with maintenance of effort the dollar amount is based on the number of pupils so if the population goes down the school needs to spend the same amount per pupil. However, in terms of total dollars there are many factors to consider and the issue is complex.
- Kate reviewed with the group that they were interested in adding a provision to the reimbursement recommendations that would enable the hold-harmless to be reevaluated every five years. She asked if there were any additional provisions that they wanted to add.
- Jennifer suggested that the group consider adding a provision regarding the specification that the hold-harmless be calculated utilizing a three year rolling average moving forward.
- Nicholas asked who would be responsible for calculating the three year rolling average if it was added to the recommendation.
- Jennifer indicated that the CDE would be responsible for the calculation.
- Kate reviewed that the group would be adding two provisions to the previously voted on recommendation. The first provision would address reevaluating the hold-harmless every five years and then second would stipulate that the hold-harmless amount would be calculated using a three year rolling average of transportation spending.
- The vote for the two provisions was taken and all votes were 4s.
- Kate reviewed the recommendation being put forth by the Task Force that would recommend that the state increase its share of transportation funding to alleviate the increased burden on local communities to fund education.
- Kate reminded the group that because they added the additional \$10M allocation to the reimbursement recommendation that would significantly lessen the gap that had developed between transportation expenditures and transportation reimbursements across the state.
- Kate asked if the group wanted to include a specific dollar amount within the recommendation or if they instead wanted to reference a previous funding percentage.

- Jen stated that she felt this recommendation was tied to the previous recommendation and asked if this was accurate.
- Kate confirmed that the two recommendations would be intimately tied together. She also mentioned that if the group was interested in including a dollar amount to the recommendation there would be a number of ways to decide on an amount but they would all to a certain extent be arbitrary.
- Michelle commented that she was also struggling with determining what would be an appropriate amount of funding to request if they were going to ask for any amount. She stated that she wished the group had more data based on what other states provide with regards to transportation. She said that she was in favor of a percentage rather than a dollar amount.
- Jennifer noted that historically the state share has been higher. In SY15 route reimbursements were on average 26% and over the last several years the rates have dropped to around 22%.
- Michelle asked if the group could use 25% as a target and reference that data.
- Jennifer noted that it would kind of be comparing apples to oranges given that previously only routes were reimbursed and now it would be all expenses.
- Yolanda mentioned that the FPP subcommittee had received input of processes from 3 or 4 other states but couldn't recall the specifics.
- Michael mentioned that Colorado is under such fiscal constraints that he was concerned that if the group recommended a specific number it could be at the detriment of per pupil funding. He felt that limiting the recommendation to a specific percentage or year reference would be better. He shared language in the chat to address his thoughts.
 - *"Potential language that doesn't tie us to a specific \$ or % amount, The Task Force recognizes the fiscal constraints on the State as it relates to overall Education Funding, of which Transportation is a component. The Task Force recommends that the state critically review education funding levels compared to national per pupil averages and education funding adequacy studies currently being conducted. The Task Force believes that in order to have an environment where all children have equal opportunities, the State of Colorado Education Funding should be favorably comparable to national averages."*
- Michelle mentioned that she wanted the recommendation to emphasize equitable outcomes.
- Sarah mentioned that she was interested in thinking about how the reimbursement percentage has gone down and this has caused communities to spend more.
- Kate made additional edits to the shared language
 - *Remember the critical component of transportation as it relates to At a minimum we recommend that the state return reimbursement levels in a year (SY1415) that they were the highest.*
- Kate reviewed the components that had been suggested for the overall funding recommendation ahead of the vote.
- Vote was taken and all 3s and 4s.
- Kate reviewed language proposed regarding updating the statute and related regulations to reflect the new transportation funding and reimbursement process.
- Vote was taken and all 4s.

Agenda Item- Next Steps

- Kate mentioned to the group that there would need to be a second meeting in September to finalize the Access to School Choice recommendation and finalize the remaining recommendations.
- Kate stated that as it stood currently the meeting was scheduled for September 23rd but not everyone had provided their availability on that date so she would send up a follow up survey to confirm a date.
- Brenda asked if additional meeting options could be available when the survey went out.
- Kate said that that could definitely be done.
- Nicholas mentioned that he had issues with his link.

Agenda Item- Next Steps

- Kate reminded the group that currently the next meeting was scheduled for Monday September 23rd at 10AM however she would send out another survey with additional meeting dates to determine if this was the best date for the next meeting.

- Kate mentioned that she would be sending out a draft of all the current recommendations for the group to begin to review next week.
- Kate thanked the Task Force members for attending today's meeting and for the great conversation that took place.
- The meeting closed 1:02pm