



AUGENBLICK,
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Tiered Funding Workgroup Update: Transportation and 231 Raises

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Presentation Overview

- **Transportation**
 - National policy scan of transportation funding
 - Funding transportation in the base
 - Transportation spending compared to student per square mile
 - Transportation spending per pupil compared to base amount per pupil
 - Takeaways
 - Changing transportation expenditures from 4-year average to either 2-year average or prior year
 - Recommendations
- **231 Raises**
 - Funding 231 Raises in the Base
 - Recommendation



NATIONAL POLICY SCAN OF TRANSPORTATION FUNDING

Nevada's Transportation Funding Approach

- Now funded as part of the PCFP
- Part of Tier 1: Auxiliary Funding for School Operations
 - Includes transportation and food service
- Flat funded based on 4-year average of district actual reported transportation expenses

Formula Types

- **Included Base Funded**
 - An amount of funding that is included in the base cost of education that can be used for transportation
 - **Formula Based**
 - Funding based on various characteristics associated with transportation costs such as miles traveled, number of students, density, rurality
 - **Reimbursement**
 - Based on actual expenditures made by districts
 - **Other**
 - There are a variety of states with various ways of funding transportation
- * There are variations and complexities in all these formulas

Included in Base Formula

States that Fund Transportation as Part of Base Funding Formula

Delaware	New Hampshire
Iowa	New Jersey
Minnesota	Oklahoma

Formula Based

States with a Transportation Funding Formula	
Alabama	North Carolina
Alaska	North Dakota
Florida	Ohio
Kansas	Tennessee
Kentucky	Texas
Maryland	Virginia
Michigan	Washington
New York	

Reimbursement Based

States that Provide Reimbursement to Districts for Transportation	
Arizona	Montana
California	Nebraska
Colorado	Nevada
Connecticut	New Mexico
Georgia	Oregon
Idaho	Pennsylvania
Illinois	South Dakota
Massachusetts	Utah
Mississippi	West Virginia
Missouri	Wyoming

All states use prior year or two-year average of expenses other than NV, which uses a 4-year average

Specific Reimbursement Approaches

	Amount of Operating Reimbursed	Amount of Capital Reimbursed
Arizona	All eligible expenses	Not reimbursed
California	~ 60% of expenses	Not reimbursed
Colorado	Paid \$0.37 per mile and 33% of other costs	Not reimbursed
Connecticut	Range from 0–60%	Not reimbursed
Georgia	Mileage plus 33% of other costs	Not reimbursed
Idaho	50% of allowable expenses	85% of depreciation
Illinois	No set amount	Not reimbursed
Massachusetts	~70% of allowable expenses	Not reimbursed
Mississippi	~35% of allowable expenses	Fully reimbursed
Missouri	20–30% of operating costs	Not reimbursed
Montana	The max reimbursement rate or 50% of the transportation budget, whichever is smaller	Not reimbursed
Nebraska	Funds full mileage rate at 285%	Not reimbursed
New Mexico	Fully funds transportation	Reimburses bus replacement
Oregon	70% of approved costs for large districts and 80% for small districts	Fully reimbursed
Pennsylvania	40–60% of allowable expenses on average	Reimburses bus purchases
South Dakota	Only mileage, no additional operating costs	Not reimbursed
Utah	50–85% of allowable expenses	Reimburses bus purchases
West Virginia	Reimburses 100% of allowable expenses	Reimburses bus purchases
Wyoming	Reimburses 100% of allowable expenses	Reimburses bus purchases

Other Formulas

States with Grants or Per Pupil Amounts to Fund Transportation	
Arkansas – Per Pupil Amounts	Rhode Island – Excess Cost
Hawaii – Family Pay	South Carolina – State Run
Indiana – No State Funding Provided	Vermont – No State Funding
Louisiana – No State Funding	Wisconsin – Per Pupil Amounts
Maine – No State Funding	

State/District Funds Charter School Transportation

Same as Traditional		Provides a Grant or % of Costs Lower than Traditional	Covers no Cost
Alabama	New Mexico	Arizona	Connecticut
Alaska	New York	Colorado	Hawaii
Arkansas	Ohio	Indiana	Iowa
California	Oklahoma	Kansas	Michigan
Delaware	Pennsylvania	Maine	Oregon
Florida	Rhode Island	Massachusetts	Utah
Georgia	Tennessee	Missouri	
Idaho	Texas	Nevada	
Illinois	Virginia	New Hampshire	
Louisiana	Washington	North Carolina	
Maryland	West Virginia	South Carolina	
Minnesota	Wisconsin		
Mississippi	Wyoming		
New Jersey			

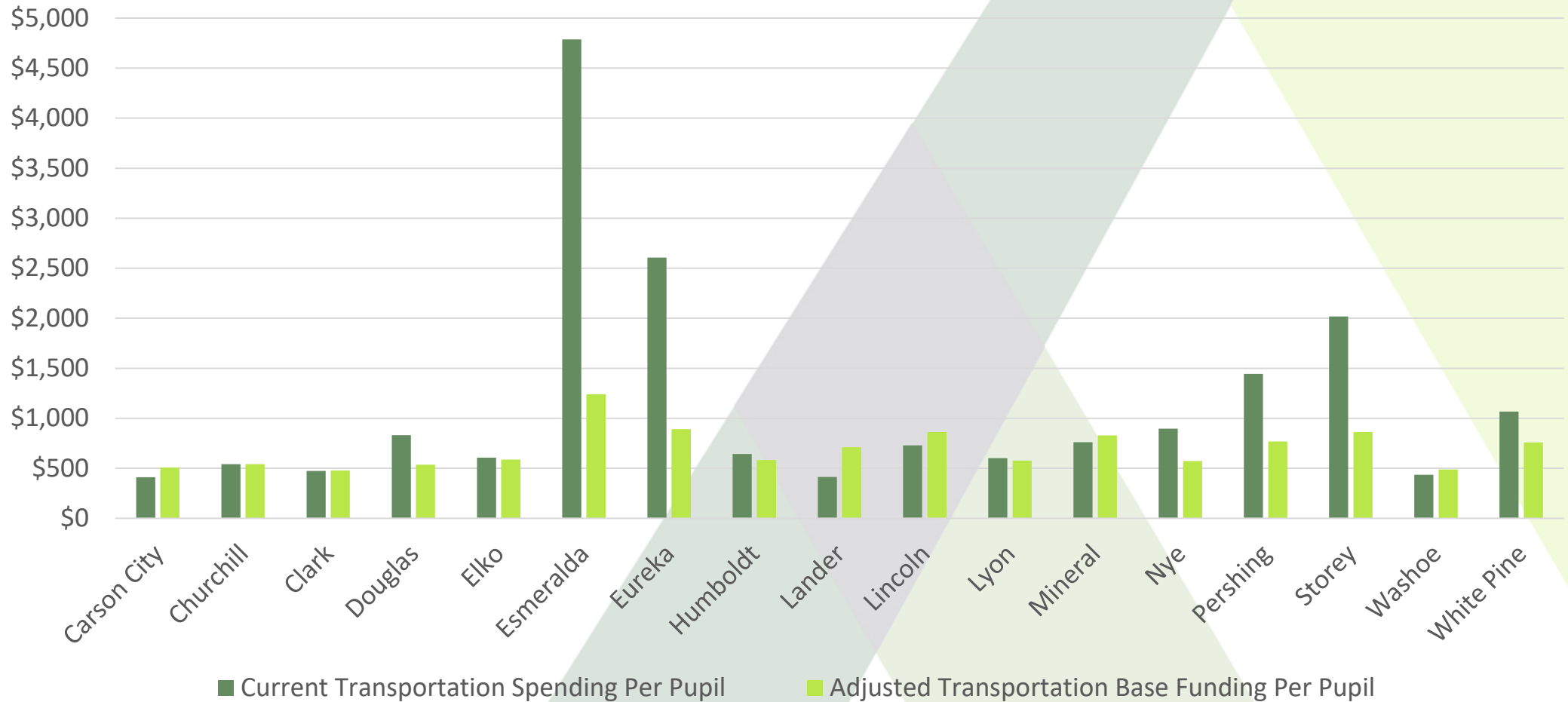


FUNDING TRANSPORTATION IN THE BASE

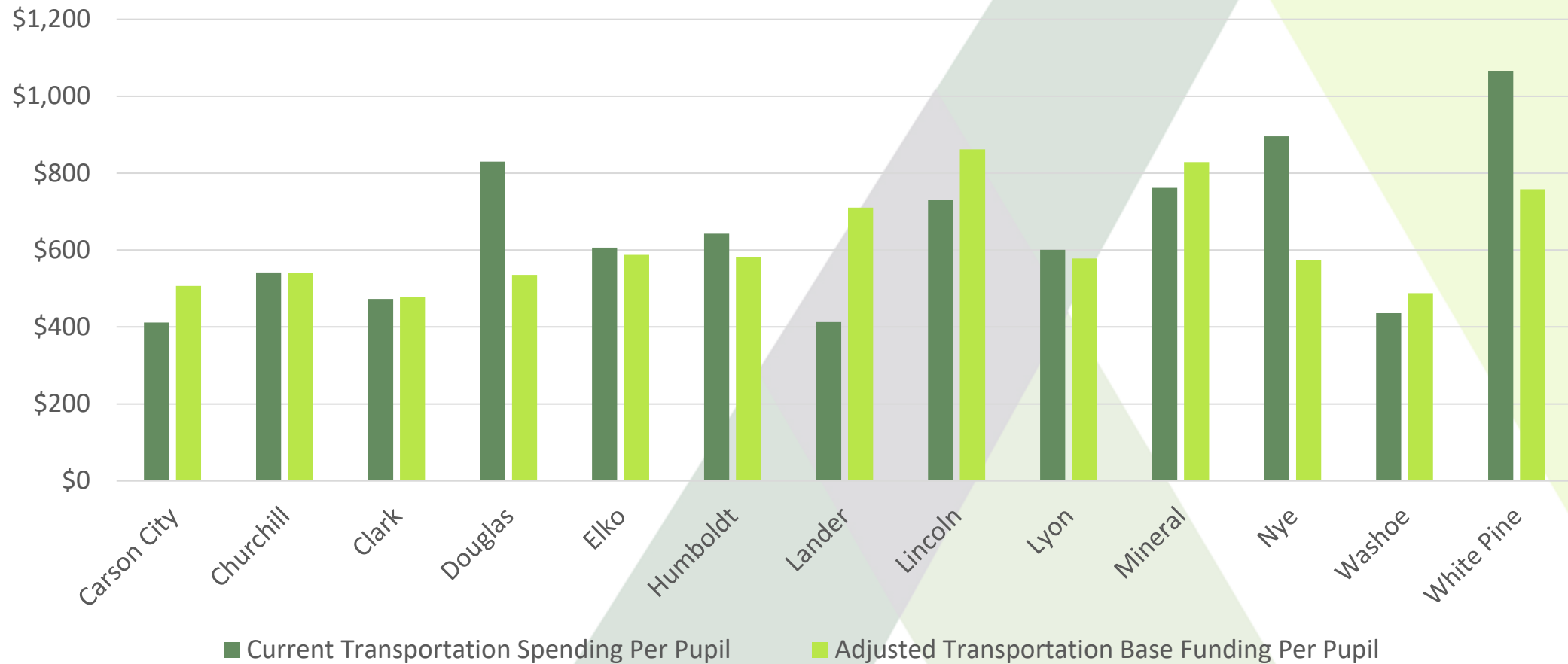
Transportation Expenditure Analysis Process

- Tiered Working Group asked to look at what would happen if transportation funding was removed from Tier 1 and placed in the base
- The base amount is determined by adding total transportation expenditures and dividing by adjusted student count
 - Adjusted student count used to ensure that total funding generated does not exceed current transportation allocation
 - Transportation base amount would be **\$474 per pupil**, which would then be adjusted by the attendance area adjustment

Current Transportation Spending Per Pupil Compared to Proposed Adjusted Base Transportation Per Pupil



Current Transportation Spending Per Pupil Compared to Proposed Adjusted Base Transportation Per Pupil *Districts Over 750 Students*



Student Density vs. Transportation Cost per Pupil

Nevada School Districts · Dot color = district enrollment size · X-axis: students per sq mile (ordered low → high)



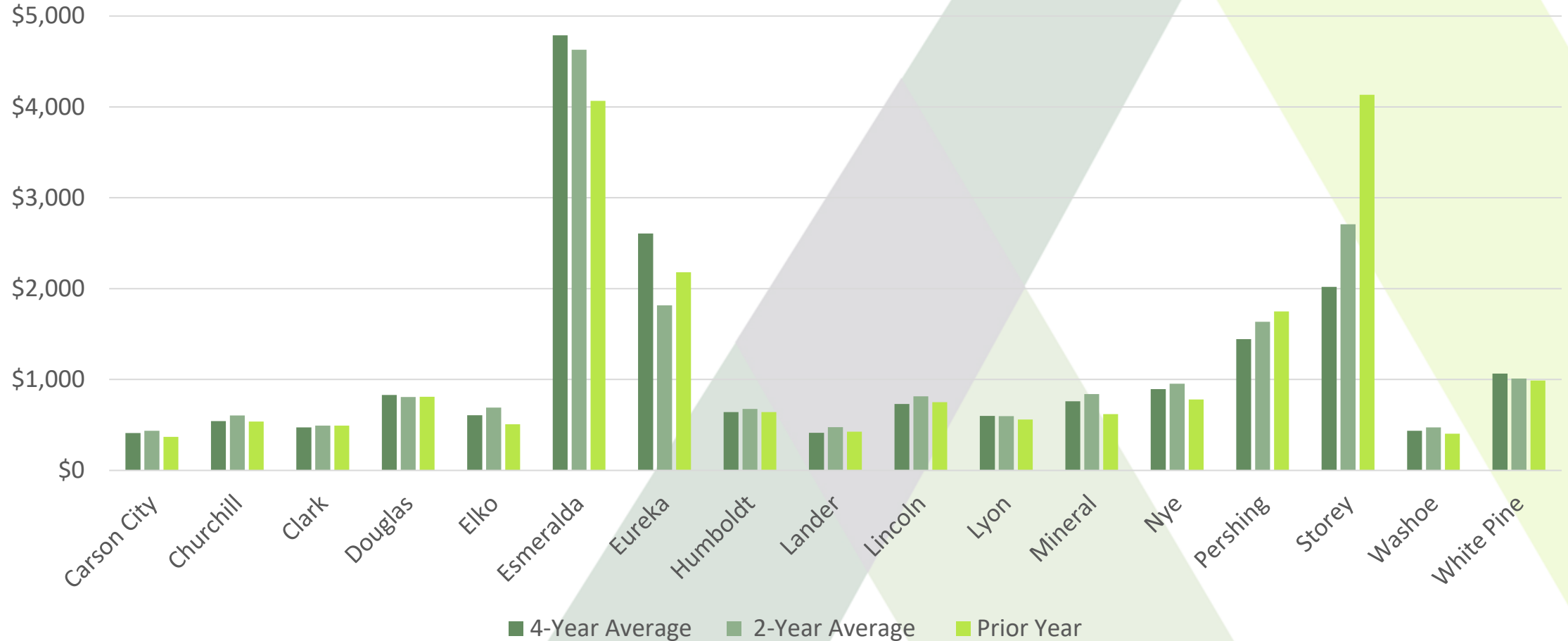
Takeaways/Considerations

- Moving transportation into the base does not reflect the actual costs that districts face
 - Three districts would see a reduction of funding greater than 50%

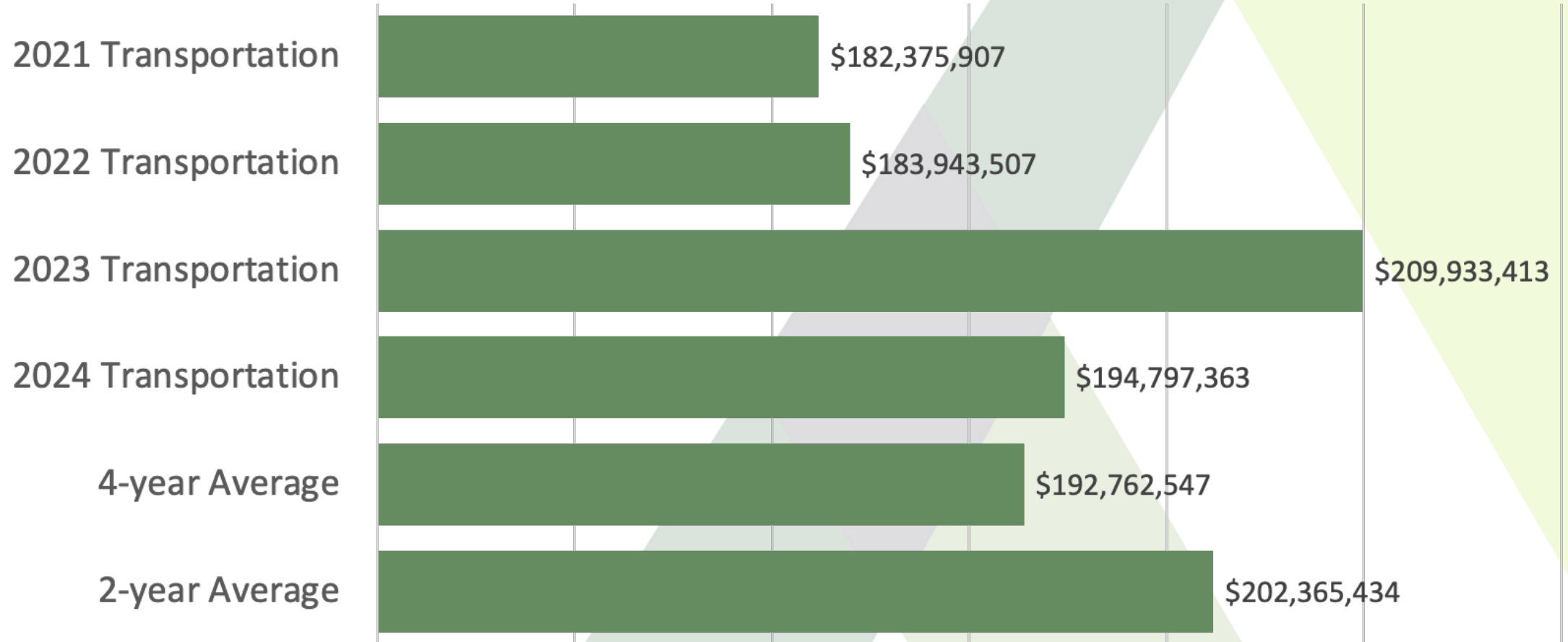


**ALTERNATIVE: FUNDING TRANSPORTATION
USING A 2-YEAR AVERAGE OR PRIOR YEAR**

Transportation Funding Comparison by District, 4-year Average, 2-year Average, or Prior Year



Total State Level Transportation Funding Under Each Scenario



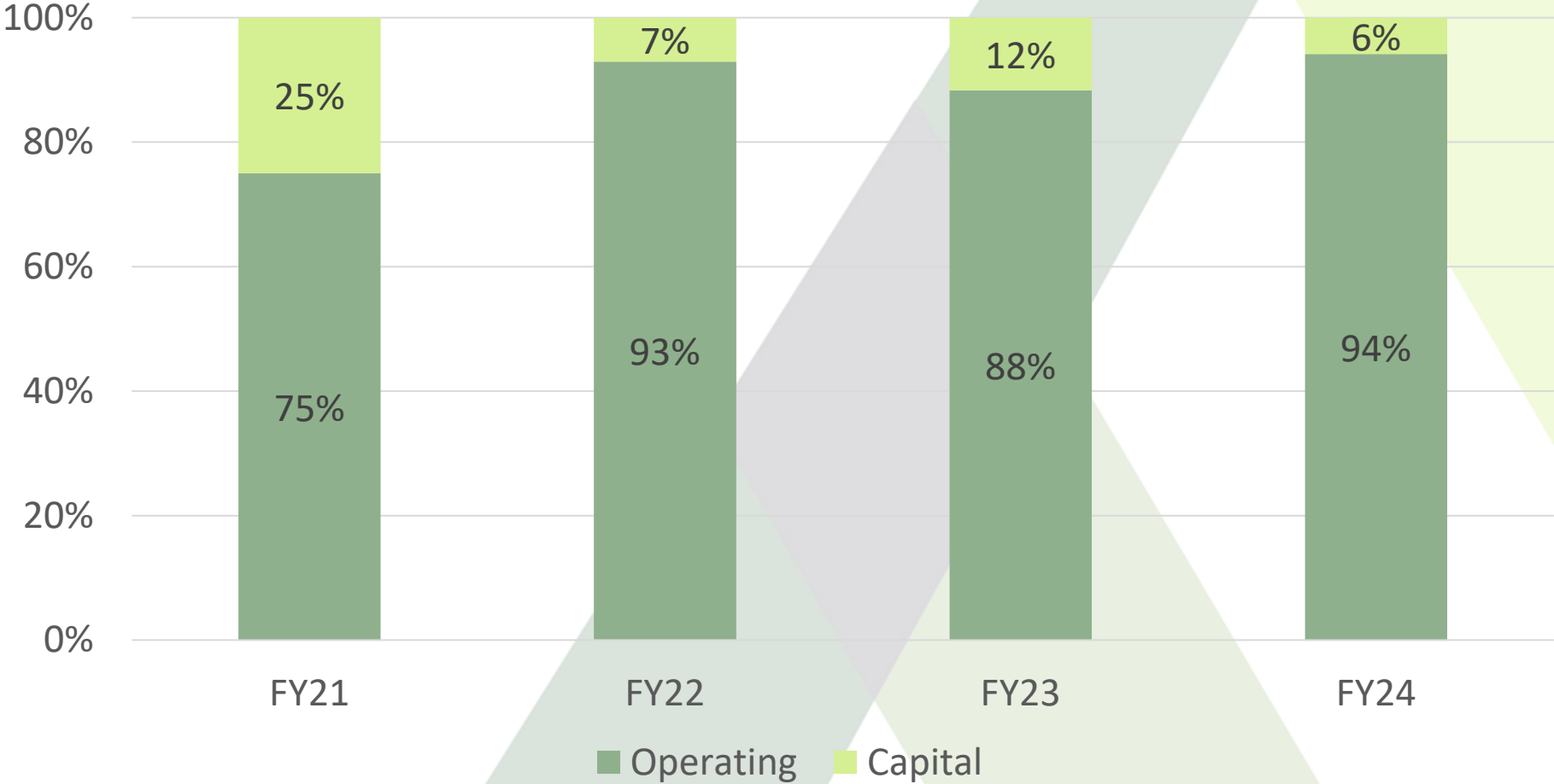
Key Takeaways

- The state was using a 4-year average to address the issues with COVID
- All other states who reimburse for transportation use a prior year or a 2-year average

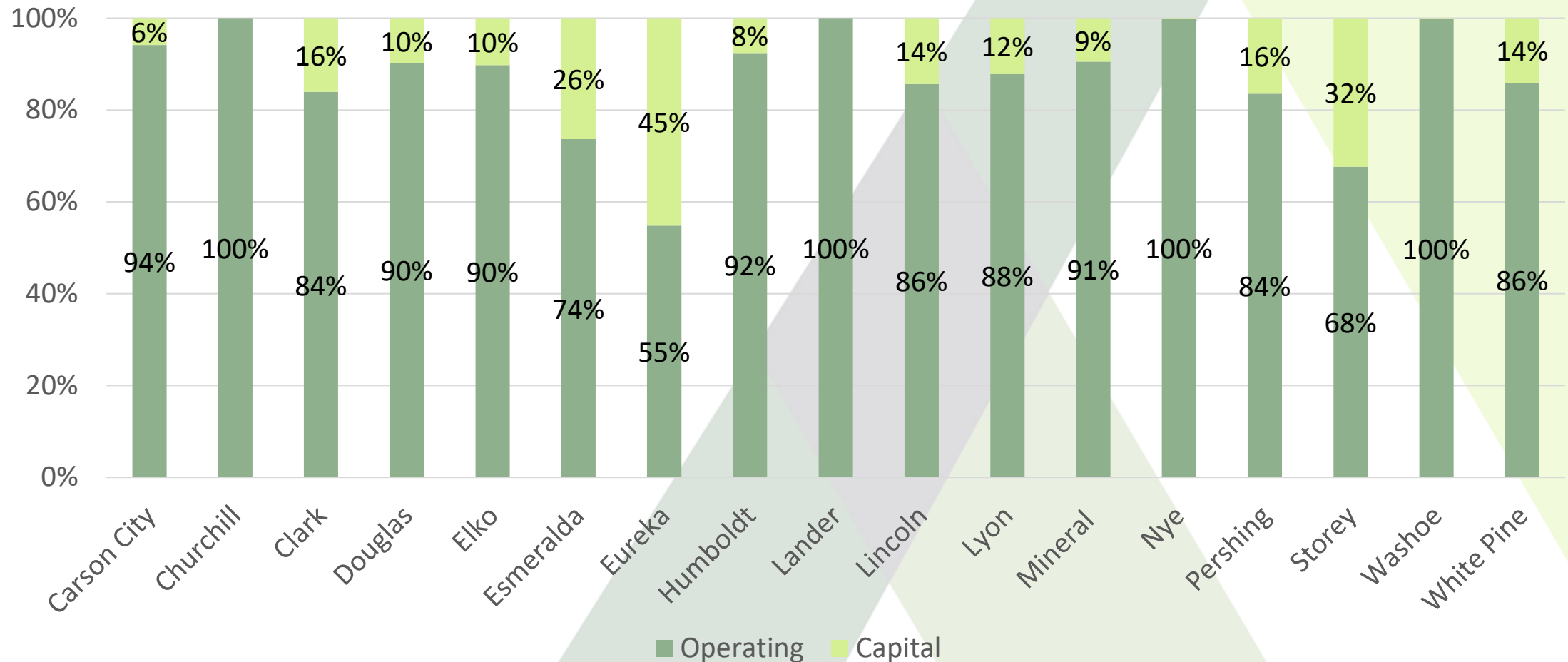


**ALTERNATIVE: DISAGGREGATING BY
CAPITAL VS. OPERATING EXPENDITURES**

Statewide Breakdown of Total 387 Transportation Expenditures by Operating and Capital, FY 21–24



District Breakdown of Total 387 Transportation Expenditures Across FY 21–24 by Operating and Capital



Key Takeaways


- Statewide capital expenditures have varied between 6% and 25%, averaging around 11% across FY21–24
 - Note, FY21 may be somewhat of an outlier due to the pandemic
- By district, capital expenditures ranged from 0–45%
 - However, not every district funds all their capital expenditures out of the general fund



TRANSPORTATION FUNDING RECOMMENDATIONS

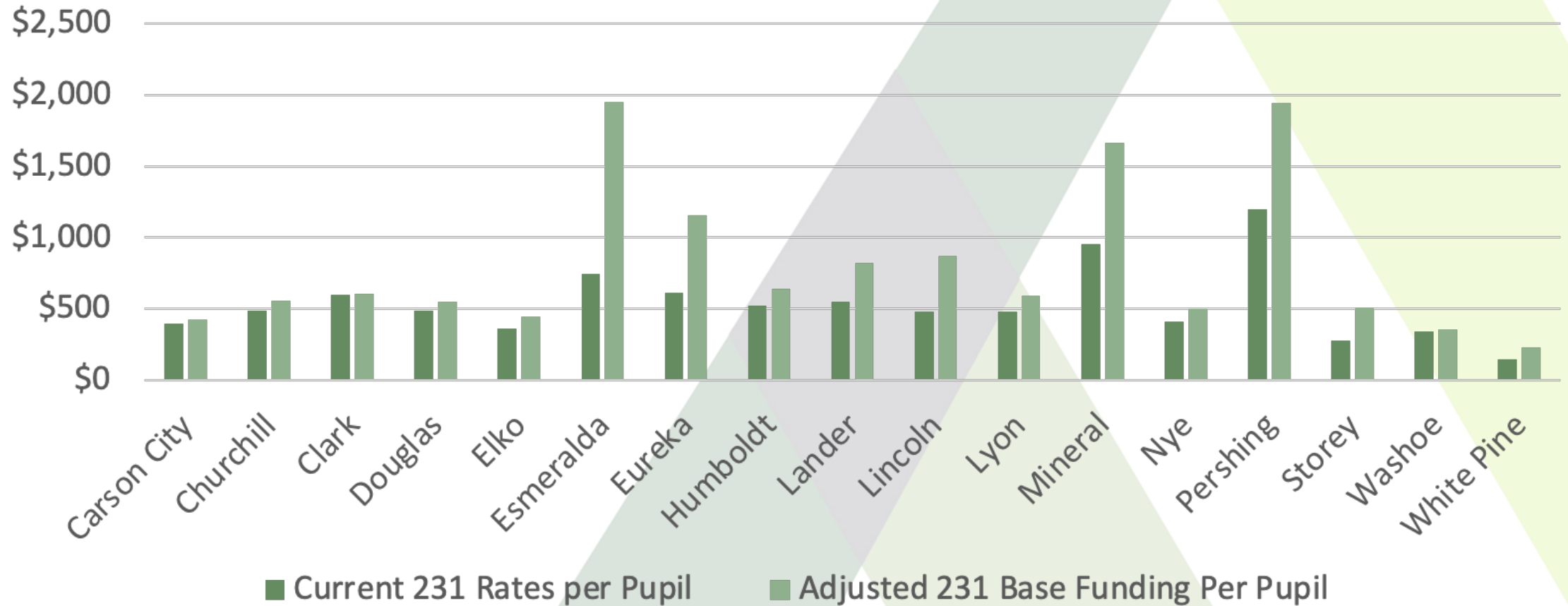
Recommendations

- The study team **recommends not funding transportation through the base and keeping funding in Tier 1**
- Reimburse operating transportation costs using the average of the prior two years
- Reimburse capital transportation costs over 5 years
- Provide transportation reimbursement for charter schools through the same methodology as districts



FUNDING 231 RAISES IN THE BASE

Current 231 Raise per Pupil Compared to Proposed Base 231 Raise per Pupil



Key Takeaways

- Spending is \$212.4 million for 231 Raises across the state
- Moving 231 Raises into the base does not reflect the actual costs that districts face
 - Majority of the dollars would be moved from CCSD to other districts



RECOMMENDATIONS FOR FUNDING 231 RAISES

Recommendations

- The study team **recommends keeping funding for 231 raises outside of the base**
 - Funding can then be either included as its own tier or kept separate (as is)
 - Keeping as is does not impact the waterfall/base calculations, while adding as its own tier ensures it will be funded