



Texas School Coalition

Committed to the success of public education for all students in Texas!
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ISSUE BRIEF

TRANSPORTATION ALLOTMENT

November 2014

The State supports student transportation services through the transportation allotment (Texas Education Code, §42.155), which was added to state law in 1984. The statute provides an entitlement for independent school districts, charter schools and county operated transportation systems for transporting students that is calculated as a function of route miles traveled and the number of students transported.

STATE FUNDING FOR STUDENT TRANSPORTATION SERVICES

The transportation allotment calculates an entitlement by using a rate per route mile traveled based on the district's linear density grouping. Linear Density Groupings are defined in statute as the average number of regular eligible students transported daily divided by the approved daily route miles traveled. The rates per mile are higher the more "dense" the system, therefore urban districts tend to have higher rates per mile compared to the more sparsely populated rural districts, with lower concentrations of students. Figure 1 provides the rates for the transportation allotment. Current legislative per-mile funding rates were established in 1984, and have not been changed since that time.

Linear Density Group	Allotment per mile of approved route
2.40 and above	\$1.43
1.65 to 2.40	\$1.25
1.15 to 1.65	\$1.11
0.90 to 1.15	\$0.97
0.65 to 0.90	\$0.88
0.40 to 0.65	\$0.79
Up to 0.40	\$0.68

Figure 1: Rate per Linear Density Group

ELIGIBLE RIDERS

For the purposes of the transportation allotment the State defines eligible riders as:

- Students who live two or more miles from their assigned campus who are not eligible for special education transportation services;
- Students who live within two miles of their assigned campus who would be subject to hazardous conditions walking to school;
- Students eligible for special education services who require special transportation to attend school; and
- Students traveling from one campus to another for a career and technology program.

Funding is provided for home-to-school transportation for eligible students who live more than two miles from their campus, and in some cases for those who live closer than two miles if the area is designated as a hazardous traffic area. Funding is also provided for special education students who require special transportation to attend school, for students to attend career and technology instruction, and for students who attend gifted and talented, parenting life skills, or special language programs not available on their home campus. **Funding is not provided for extra-curricular transportation.**

DID YOU KNOW?

In the 2012-13 school year, **41,500 buses** traveled over **446 million miles** transporting Texas schoolchildren to and from school at an average cost per mile of **\$2.62** for regular transportation services and **\$1.94** per mile for special transportation services.

DISTRICT COST VERSUS STATE ALLOTMENT

Rates for the transportation allotment have not changed since it was created in 1984. The state reimbursement originally covered approximately 75 percent of actual costs; however, in 2012-13 the state allocation covered less than 25 percent of the total cost incurred by schools for transportation. See Figure 2.

Since the time the transportation allotment was created, 2 million additional students have enrolled in Texas public schools.

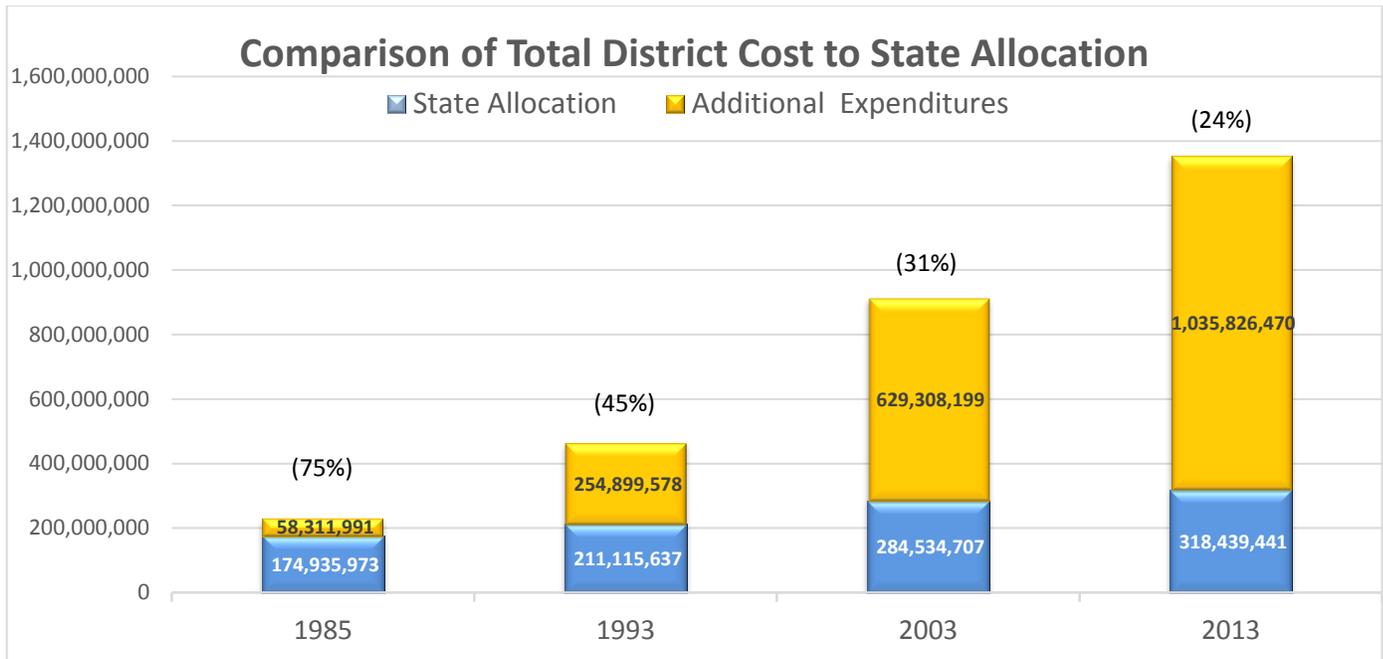


Figure 2:

Source: PEIMS data and TEA Summary of Finance

WHAT DRIVES SCHOOL DISTRICT TRANSPORTATION COSTS?

The 2012-2013 transportation actual expenditures data reveals the following information regarding overall district cost:

- Salaries and benefits account for the greatest expense representing about 58% of the total expenditures.
- Supplies and materials account for 19% of transportation expenditures. The total amount spent by schools in this category has increased by 181% since 2003. Supplies and materials include expenditures for gasoline.
- Purchased and contracted services constitute 11% of the total expenditures, which represents a 67% increase over a ten year period. This category applies to the districts who have chosen to contract out all or some of their transportation services, as well as service contracts and contracts with public transportation entities.

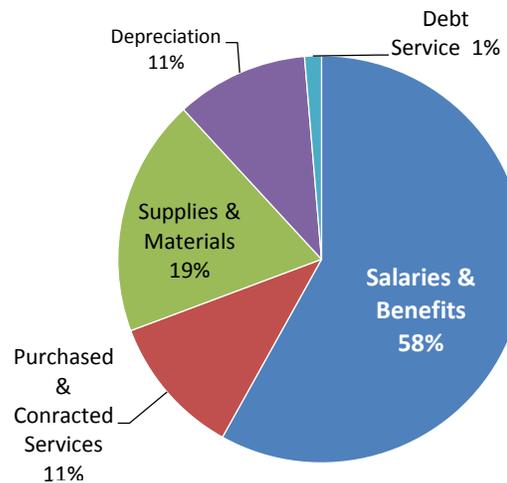


Figure 3:

Source: Operations Report, TEA (2012-2013)

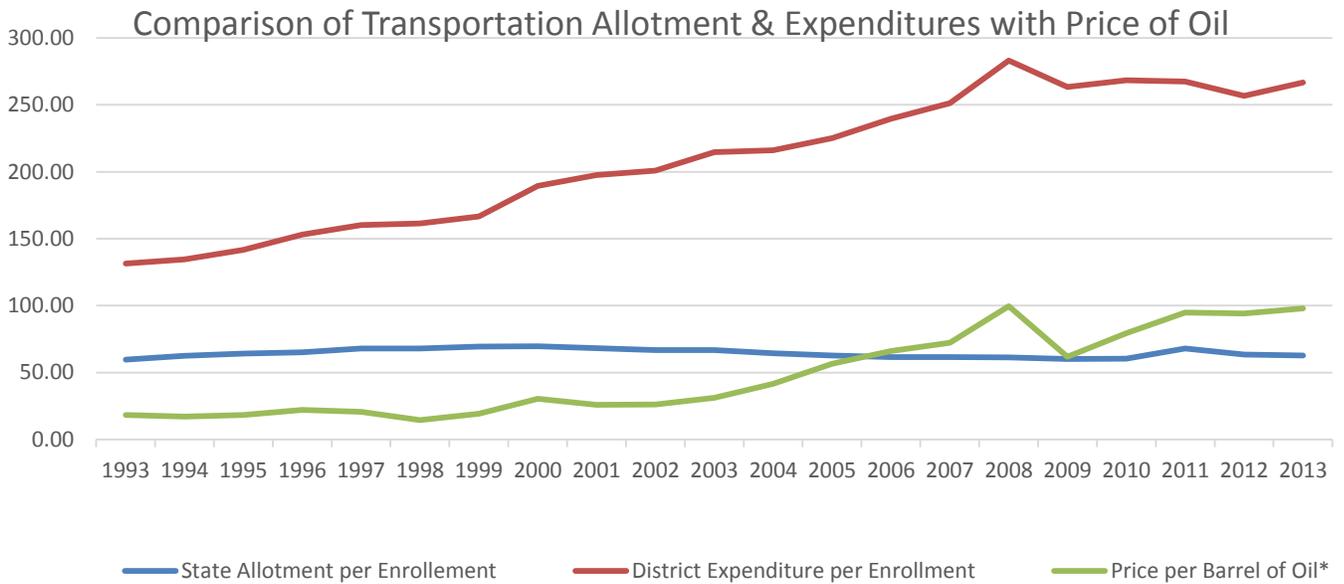


Figure 4

Source: PEIMS data & TEA Summary of Finance; *Cushing, OK WTI Spot Price FOB (Dollars per Barrel), US Energy Information Administration

Figure 4 above shows a very high correlation between the price of oil in Texas and school district transportation expenditures. As the price of oil increased from \$18 a barrel in 1993 to over \$98 in 2013 it affected school districts in two ways. First, the cost of a gallon of gas rose from \$1.10 in 1993 to \$3.60 in 2014. Likewise, districts' supplies and materials costs rose over this time period. Second, as the price of oil increased, so did production and transportation of oil. Because school district bus drivers must have a commercial driver's license (CDL) school districts must compete with other industries that hire CDL drivers such as the Oil and Gas Industry. This has a significant impact on districts that are located near oil and gas shales in Texas. Many of these districts have been forced to pay as much as \$20-\$23 per hour compared to \$11 per hour wage that other districts are able to pay. Others are simply not able to hire enough drivers and therefore, run cost-inefficient systems.

The price of gasoline remained relatively stable during the first 15 years of the Transportation Allotment's existence. However, during the last 15 years, the price of gas has been a rapid incline. Figure 5 further demonstrates why school district spending on gasoline has increased so dramatically.

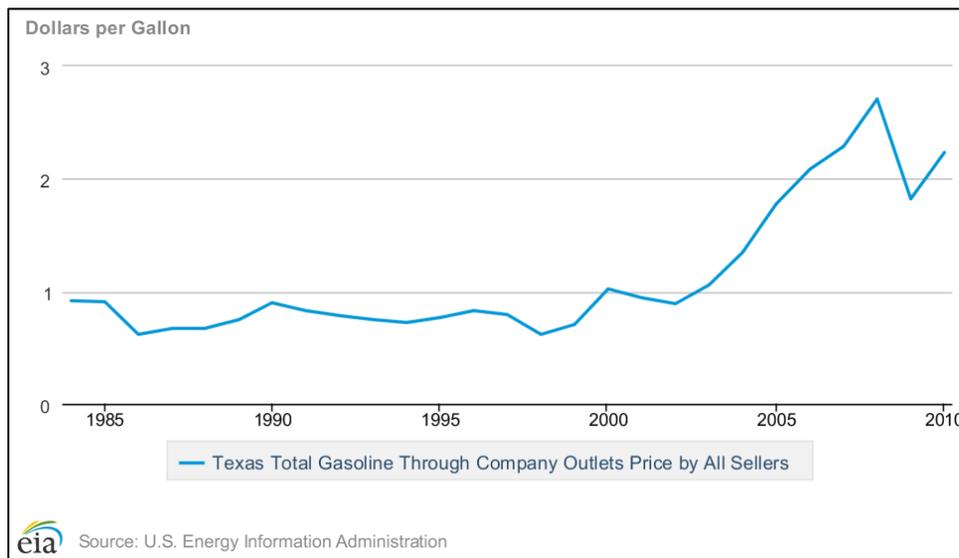


Figure 5

