

# HOUSE RESEARCH

## Bill Summary

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### Overview

This bill creates a transportation safety reserve, bus purchase aid, specially equipped bus purchase aid, a transportation reserve, modifies the transportation sparsity and transition formulas, directs the commissioner to recommend a cost-based pupil transportation formula, and appropriates money for transportation services.

Beginning in fiscal year 1997, funding for regular transportation was included in the general education program. Before 1997, transportation was funded through a categorical funding formula. Transportation sparsity revenue funds the added cost of pupil transportation in areas with low population density. The transportation sparsity allowance for a district increases as the number of pupil units per square mile decreases. Transition revenue is used to smooth the transition to the general education formula. For fiscal years 1997 and later years, districts receiving less transportation revenue per pupil unit under the roll-in than they received under the categorical transportation formula in fiscal year 1996 receive a transportation transition adjustment.

### Section

- 1 **Reserved revenue for transportation safety.** Creates a transportation safety reserve. Requires each district to reserve an amount equal to the greater of \$500 or \$1.00 times ADM to provide student transportation safety programs.
- 2 **Bus purchase aid.** Creates bus purchase aid equal to 7% of the purchase price of a district's owned or contracted fleet. Requires bus purchase aid to be reserved and used for school bus purchases or other transportation purposes.
- 3 **Transportation reserve.** Requires each school district to reserve all transportation revenue including the portion of the general education formula identified for transportation, integration, sparsity, nonpublic, and special needs transportation.
- 4 **Integration revenue.** Requires each district receiving integration revenue to reserve and use for

integration transportation an amount equal to the amount expended on integration transportation in fiscal year 1998.

- 5     **Special education base revenue.** Requires school districts to receive \$10,000 for each additional specially equipped wheelchair lift school bus purchased the previous year necessary to transport children with disabilities. Requires school districts to notify CFL by June 30 each year in order to receive reimbursement for specially equipped buses. Makes technical changes.
- 6     **Basic revenue.** Strikes obsolete language. Requires each district to reserve 5% of the formula allowance times the adjusted marginal cost pupil units for pupil transportation services.
- 7     **Transportation sparsity revenue allowance.** Modifies the transportation sparsity formula, increasing transportation sparsity revenue by \$9.5 million statewide.
- 8     **Transition allowance.** Increases the guarantee used in computing transportation transition revenue to 110% of fiscal year 1996 base revenue, increasing transportation transition revenue by \$800,000 statewide. Strikes obsolete language.
- 9     **Direction to commissioner.** Directs the commissioner to collect the necessary data from each school district to create a cost-based pupil transportation formula based on several ridership categories. Requires the commissioner to recommend a cost-based pupil transportation formula and report to the legislature by February 15, 2002. Directs the commissioner to identify all transportation revenues for each district.
- 10    **Appropriation.** Appropriates an unspecified amount for fiscal years 2002 and 2003 from the general fund for transportation sparsity aid, transportation transition aid, transportation safety, and bus purchase aid.
- 11    **Effective date.** Makes sections 1 to 10 effective July 1, 2001.