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***Getting From Facts to Policy: An Education Policy Convening***  
**Hosted by EdSource • October 19, 2007, in Sacramento**  
**School Finance Issues – School Transportation**  
**The California State Legislature Rural Caucus**  
**Chair, Assemblymember Jean Fuller**

The bipartisan, bicameral Rural Caucus was formed in January 2003, to address policy issues and concerns of rural areas and communities in the State of California. The members of the Rural Caucus include twenty-one Assemblymembers and thirteen Senators. The Rural Caucus serves as a voice for rural communities. The members of the Rural Caucus appreciate the opportunity to discuss the important issue of school transportation at this policy convening

**Problem Statement:**

We have decided to focus on one issue, school transportation funding, because it is a crucial issue for all our school districts. The current school transportation funding system is clearly broken. The recently released State Auditor report (March 2007 – Report 2006-109) recommended that the California Department of Education seek legislation to revise the current law so that 1) all school districts that provide transportation services could receive funds, and 2) ensure that all school districts are funded equitably for the Home-to-School Transportation program. Moreover, the recent adequacy studies coordinated by Stanford University found that “unreimbursed transportation costs can affect school finance adequacy in districts that have high unreimbursed transportation costs”. Those studies specifically identified the unequal and severe underfunding of California's home-to-school transportation program costs as a prime example of one of the “disequalizing effects of California's current school finance model”.

The next section of this paper will present the School Transportation Facts. Our conclusion is quite simple. Before the state creates any new categorical programs, or block grants any existing categorical programs, or changes the school finance system, **the state needs to equitably fund school transportation costs. The state needs to change the existing program per the State Auditor's recommendations.** We need to fix the inequities in our existing school finance house before we make any additions.

We would also like to acknowledge the work that current and past legislative members have done on this issue. The members that have carried school transportation equity legislation include Senators Cogdill and Florez, and Assemblymembers Liu, Bermudez, Benoit, Parra, and Wolk. We are grateful for their hard work and leadership.

#### School Transportation Facts – Rural Perspective:

Many states reimburse school districts for 100% of their cost of transporting students to and from school. School transportation cost varies depending on the geographic, student density, and demographic characteristics of the school district. It is a true variable cost program. School districts must file forms with the California Department of Education (CDE). CDE only 'approves' the cost of transporting students – regular and special education to and from schools. All other transportation costs such as athletic events and field trips are not 'state approved' for state reimbursement.

In California, school districts are only partially reimbursed for the state-approved cost of home-to-school transportation for regular and special education children. California severely under funds school transportation. The state reimbursement rate is less than 50%. That is the state pays for less than 50% of the approved state cost. The approved state cost for regular and special education transportation is over \$1.3 billion. The state share is \$630 million. The other \$600 million plus has to be paid for by the school districts. The funds have to come out of the classroom.

Table 1 shows the low reimbursement rates for the special education home-to-school transportation program for a group of school districts and county offices in the central valley. Table 2 shows similar information for the regular home-to-school program.

**Table 1**  
**Special Education Home-to-School Transportation Cost**  
**Central Valley School Districts and County Offices**  
**(These school districts must divert large amounts of local funds from the classroom to support school transportation)**

<u>School District and County office of Education</u>	<u>County</u>	<u>Approved Cost</u>	<u>Percent of State Aid</u>	<u>Local Dollars</u>
Fresno Unified	Fresno	\$5,499,000	22%	\$4,289,220
Fresno County Office of Education	Fresno	\$2,639,174	25%	\$1,979,381
Kern County Office of Education	Kern	\$7,024,842	36%	\$4,495,899
Kern High	Kern	\$2,197,976	16%	\$1,846,300
Madera County Office of Education	Madera	\$1,302,483	27%	\$950,813

**Table 2**  
**Regular Home-to-School Transportation Cost**  
**Central Valley School Districts and County Offices**  
**(These school districts must divert large amounts of local funds from the classroom to support school transportation)**

<u>School District and County office of Education</u>	<u>County</u>	<u>Approved Cost</u>	<u>Percent of State Aid</u>	<u>Local Dollars</u>
Burton Elementary	Tulare	\$837,254	4%	\$803,764
Tulare Elementary	Tulare	\$993,534	25%	\$745,151
Visalia Unified	Tulare	\$3,535,691	35%	\$2,298,199
Dinuba Unified	Tulare	\$1,177,034	23%	\$906,316
Selma Unified	Fresno	\$1,137,200	28%	\$818,784
Parlier Unified	Fresno	\$742,000	29%	\$526,820
Clovis Unified	Fresno	\$5,247,000	39%	\$3,200,670
Coalinga/Huron	Fresno	\$1,253,000	38%	\$776,860
Hanford High	Kings	\$845,906	27%	\$617,511
Bakersfield City Elementary	Kern	\$5,257,610	43%	\$2,996,838
Delano High	Kern	\$853,803	36%	\$546,434
Greenfield Elementary	Kern	\$1,170,381	27%	\$854,378
Kern High	Kern	\$7,484,674	28%	\$5,388,965
Mojave Unified	Kern	\$1,418,287	55%	\$638,229
Panama Buena Vista Elem	Kern	\$2,826,487	15%	\$2,402,514
Merced High	Merced	\$1,697,476	35%	\$1,103,359

The local cost of the school transportation program is extremely large for the school districts and county office of education in Table 1 and 2. They are forced to make large reductions in their classroom programs because of school transportation. For example, Bakersfield City Elementary, my former school district, must take almost \$3 million from their classroom funds to school transportation.

To make things worse, the transportation formulas are so outdated, that the program is extremely inequitable. The reimbursement rates can range from 4% to 100%. This program is especially unfair to rural school districts that serve a large number of poor children.

Because the formulas are so inequitable and inadequate, in May of 2004, the California State PTA adopted a resolution that stated:

*"RESOLVED, That the California State PTA and its units, councils and districts support legislation that provides more equitable and adequate funding for home to school transportation and replacement of school buses that do not meet current safety standards."*

California is last in the nation in terms of the percentage of children that ride school buses – 16%. The national average is 54%. In 1985, 23% of California students rode to school in school buses. Many communities simply shut down their school bus service, because it was too costly. Rural school districts simply cannot do this. They must provide transportation services to their students.

The clear facts are that the costs associated with transporting children to and from school are disproportionately high in rural school districts and counties that serve fewer students living in smaller, lower density and/or fast growing communities.

This problem is made worse by the fact that this funding deficit is an unequal burden that hits rural school districts much harder than more densely populated non-growth school districts.

In rural California counties, school districts must bus larger numbers of students longer distances:

- In Kern County, 32 percent of the students depend on school buses to get them to and from school each day....double the state average. Other rural counties must bus even higher percentages of students:
  - Nevada (49%), Inyo (54%), Trinity (57%), Mariposa (74%), Amador (77%)
- In 2005-06, Kern County schools spent \$33.8 million providing transportation services to students.
- Kern districts receive approximately \$14.3 million in funding from the state. The funding deficit of \$19.3 million came to \$124 per student or 25% more than the statewide average.

In the 29 most rural Kern County school districts (serving fewer than 10 students per square mile):

- Almost 50% of the students require transportation assistance in order to attend school.
- These rural districts, due to the longer distances traveled and the higher percentage of students in need of service, spend \$19.1 million on transportation.
- These same districts receive only \$8.3 million in funding. Their funding deficit of \$10.8 million comes to \$154 per every student in their district or 59% higher than the statewide average and 25% above the Kern County average.
- The overwhelming majority of over 300,000 migrant children whose families work in agriculture are served in these rural school districts.

California's home-to-school transportation program costs are a prime example of one of the disequalizing effects of California's current school finance model. Because school districts must dedicate a greater percentage of their discretionary funds to these costs, school districts have less funds available for other classroom purposes including instructional supplies and adequate teacher salaries for teacher recruitment and retention.

The transportation problem is magnified, however, when we consider the challenges faced by rural schools. Disproportionately high percentages students in rural California live in low-wealth communities and come from families that are substantially below state and national income averages.

This nexus of inadequate funding for transportation and rural poverty has resulted in a specific problem for school districts in rural communities that seek to offer quality remediation/summer school programs for students in need of supplemental instruction.

In 1999, Governor Davis signed legislation providing for the California High School Exit Exam, which requires all students to demonstrate subject matter mastery in core academic subjects in order to qualify for a California high school diploma.

Consistent with these increased accountability measures, state policymakers, appropriately, mandated that all school districts provide supplemental instructional services, in the summer months and during the regular school year, to students at risk of academic failure.

Unfortunately, the funding provided to schools to offer these summer school programs is based upon a "one size fits all" schedule that reimburses all school districts at the same per student amount; without consideration for transportation costs.

The "bottom line" is that rural schools must transport higher percentages of students, longer distances and are provided with no funding support. Rural schools are therefore required to encroach upon their general fund revenues even more to provide needed transportation services.

Many rural school districts are unable to provide transportation for summer school and regular remedial programs. In these instances, we find that large numbers of eligible needy students simply are unable to attend regular and summer school/supplemental instruction programs. Students at high risk of academic failure are not receiving the academic help they need.

### Conclusion:

Our conclusion is simple. The state needs to equitably fund school transportation costs – the state approved cost of home-to-school transportation. The state needs to change the existing program per the State Auditor's and the PTA's recommendations. Fix our existing school finance house before you make any additions. This issue is extremely important to the children of our school districts. Thank You.