



Navigating EC 39800.1 & EC 41850.1

Home-to-School (HTS)

Transportation Funding

CASTO Managers Forum

October 21, 2022

Anaheim, California



CASTO

HISTORY LESSON

WHAT HAS BEEN THE HISTORY OF PUPIL TRANSPORTATION FUNDING FOR CALIFORNIA

- CASTO, The School Transportation Coalition (CASTO's lobbyist) and occasionally our other professional business partners have collectively worked hard over the past decades to both protect and to increase pupil transportation funding.
- 2007 - The State Auditor's report identified the poor funding for school transportation.
- 2014 - The legislative requirement to have the Legislative Analyst's Office study and report, and their recommendation for 50% funding.
- 2013-14 and 2014-15 - The State Legislation worked and attempted to increase school transportation funding.
- 2015 - The State Legislature universally supported legislation to reinstate transportation data collection, but Governor Brown vetoed.
- The original SB 878 language, which had CSEA's support and the education coalitions backing, however language changed which was subsumed in the final budget language, but the bill never passed in any form.

WHAT'S THE BIG DEAL?

- ✓ In June, the Governor & State Legislature voted to pass AB 181, the education omnibus budget trailer bill, and AB 182, a bill related to the Learning Recovery Emergency Fund.
- ✓ The final budget is historic in nature, reflecting an overall state budget of \$300 billion with education spending higher than it has ever been.
- ✓ For the 2022-23 fiscal year, education is receiving \$110,334 billion in funding.

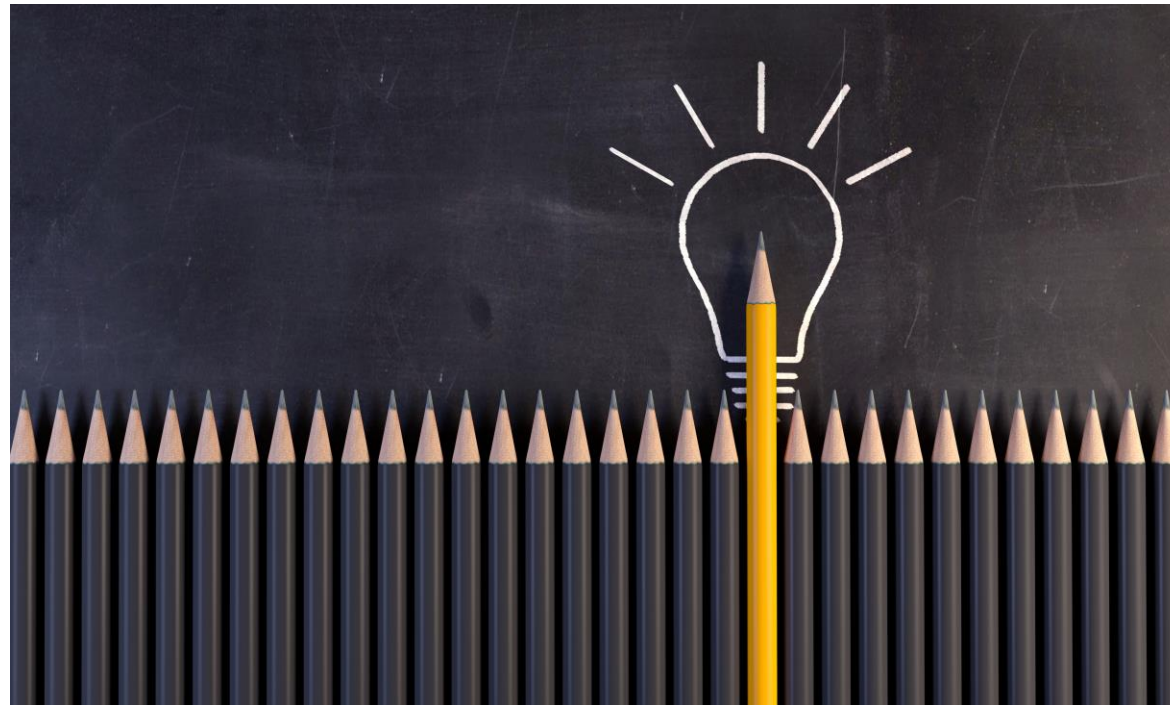
SO HOW DOES THIS IMPACT PUPIL TRANSPORTATION?



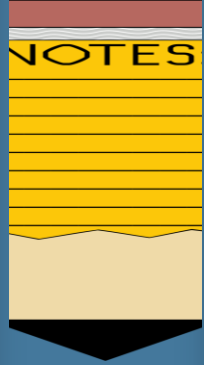
- ✓ The largest enhanced funding increase for HTS transportation in recent history!
- ✓ The final budget provides \$637 million ongoing for Proposition 98 General Fund specifically tagged for HTS Transportation.
- ✓ Specifically, the enhanced funding will be an increase to the LEA's LCFF as an add-on so that Local Education Agencies (LEA's) can be funded at up to 60% of their transportation costs, or their current add-on, plus ongoing COLA.

AND THE CATCH IS...

A plan for how services will be applied



THE TRANSPORTATION PLAN



Three basic requirements of the Transportation Plan

1. LEA's must develop a plan for how they will provide transportation services to their students, prioritizing low-income and those in transitional kindergarten (TK-6).
2. Requires the governing board to adopt the plan on or before April 1, 2023, and have it updated by April 1st each year thereafter.
3. Prohibits LEA's from charging a fee for unduplicated pupils.

THE TRANSPORTATION PLAN

- Ed Code Sections 39800.1 & 41850.1 are added as part of the 2022-23 Budget Act, which specify that eligible LEA pupil transportation allowances will be “equal to 60% of home-to-school transportation expenditures reported by the school district or county superintendent of schools as *determined by its Function 3600 entry* in the Standardized Account Code Structure (SACS) Report for the prior year, excluding capital outlay and nonagency expenditures.”
- Note that this allowance will be reduced by the amount of the LEA’s Local Control Funding Formula (LCFF) transportation add-on.
- The current Budget Act does not provide separate funding for special education transportation and supersedes all previous Education Code references which have been repealed.
- Current law provides that HTS transportation includes transportation for any pupil from a school district or a county office of education, including students with disabilities.

LET'S GET TO WORK-WHAT DO I NEED TO DO?

YOUR TRANSPORTATION PLAN FOR 2022-23

- The HTS transportation funding included in the 2022-23 State Budget mandates that each LEA develop a plan for providing HTS transportation; report specific data about the impact of the HTS plan; include various stakeholders; and formally adopt the plan on or before April 1, 2023, and on April 1st. each school year thereafter.
- Education Code states that the data shall include:
 1. Information about ridership
 2. Miles driven
 3. Expenditure details
 4. Number of Pupils transported
 5. Demographic characteristics of pupils transported
 6. Other data facilitating comparisons among LEA's

*(NOTE that CDE shall determine the specific data elements to be included in the plan yet to be determined!)

LET'S GET TO WORK-WHAT DO I NEED TO DO?

YOUR TRANSPORTATION PLAN FOR 2022-23

- For funding purposes, LEA's should be tracking transportation expenditures using Function 3600 per the existing California School Accounting Manual guidance.
- The HTS Transportation allowance is "equal to 60% of HTS transportation expenditures reported by the school district or county superintendent of schools as determined by its Function 3600 entry in SACS report for the **prior year** excluding capital outlays and nonagency expenditures and further reduced by the amount of the LCFF transportation add-ons.

LET'S GET TO WORK-WHAT DO I NEED TO DO?

TO ENSURE ELIGIBILITY FOR REIMBURSEMENT

- LEA's MUST develop their HTS Transportation Plan by April 1, 2023, and by April 1st every year thereafter that includes the following elements at a minimum.
 1. Describes the services offered.
 2. How services to specific pupils will be prioritized.
 3. A description of the transportation services made accessible to students with disabilities, and pupils experiencing homelessness (pursuant to the federal McKinney-Vento Homeless Assistance Act).
 4. A description of how unduplicated pupils* would access HTS transportation at no cost.
 5. Consultation with required educational and community partners, which may include a municipality owned transit system for service to middle and high school pupils as appropriate.
 6. Presentation and adoption of the plan by the governing board of the LEA in a meeting with in-person and remote public comment.

* Unduplicated pupil are those pupils who are eligible for Free/Reduced Meals; English Learners, Foster Youth and/or Homeless.

QUESTIONS & CDE RESPONSES

QUESTIONS SUBMITTED
AND CDE RESPONSES

QUESTIONS & CDE RESPONSES-FUNDING

QUESTION: What if the 60% ends up being more than the allocated revenue for the program (\$600 million)?

RESPONSE: Assembly Bill 181 (Chapter 52, Statutes of 2022) established the new HTS transportation funding as part of the continuous budget appropriation which is listed in EC 14002. For example, if the CDE calculates 2022-23 entitlements that equal more than what was projected, the LEA's will still be funded at those entitlement levels, i.e. 60% of eligible expenditures minus any amount of LCFF Add-on funding, as specified in EC 41850.1; there will not be a reduced percentage.

QUESTION: Is there a "base year" that would be used for LEA's?

RESPONSE: EC 41850.1 does not point to a base year for funding; each fiscal year's entitlement will be based on the prior years expenditures, and prior year LCFF Add-on amount.

QUESTIONS & CDE RESPONSES-FUNDING

QUESTION: The language required that LEA's offer transportation to unduplicated students. How is this to be accomplished without current guidance?

RESPONSE: EC 39800.1 does not appear to require the LEA's to offer specific services. Instead, it requires that the LEA develops a transportation plan describing the transportation services it will offer to its pupils and how it will prioritize planned transportation services for pupils in transitional kindergarten, kindergarten, and any of grades 1-6, inclusive, and pupils who are low income. This is not the same definition as "unduplicated pupil" which also includes English Learners & Foster Youth. The unduplicated pupils are mentioned as part of the requirement that the transportation plan describes how these pupils would be able to access available HTS transportation at no cost to the pupils.

QUESTION: How will this requirement be audited or verified?

RESPONSE: EC 41850.1 specifies that the LEA shall be subject to an audit, including the adoption of the transportation plan. The audit guide procedures are in development. The audit guide for K-12 agencies will be adopted by the Education Audit Appeals Panel (EAAP), with more information available at their website at <https://eaap.ca.gov/>

QUESTIONS & CDE RESPONSES-FUNDING

QUESTION: Will there be a required walking or non-transportation distance or non-service zone?

RESPONSE: No, there is not requirement in the current statute regarding walking or non-service zones.

QUESTION: When will information be made available and how will it be communicated?

RESPONSE: The CDE is drafting FAQs and Answers that will be posted on the CDE website. The supplement for the 2022-23 Audit Guide will be adopted by EAAP by March 1, 2022, The 2034-24 Audit Guide will be adopted by EAAP by July 1, 2023.

QUESTION: LEA's may be motivated to "enhance" their transportation expenditures to accomplish high funding. How will such be audited?

RESPONSE: Appropriate expenditures related to transportation can be found in the California School Accounting Manual, Procedure 325 – Function (Activity) Classification under the Function 3600 section.

QUESTIONS & CDE RESPONSES-THE PLAN

QUESTION: Will there be guidance on the elements of the plan, what grades need to be included and other pertinent information?

RESPONSE: Any information that CDE develops will be shared with LEA's via FAQ's. Also, listserv messages, news releases as appropriate.

QUESTIONS & CDE RESPONSES-TRANS DATA COLLECTION

QUESTION: Will required transportation data collection look similar to the old TRAN report?

RESPONSE: CDE is currently developing the approach to the data collection requirements contained in EC 41850.1 (c).

QUESTION: Will a data collection requirement possibly resume a separation of data relative to Resource 7230 for HTS transportation and Resource 7240 for SD/OI transportation?

RESPONSE: Resource Codes 7230 & 7240 were archived in 2016 and any associated reporting/separation of data with these resource codes is no longer applicable.

QUESTION: The language requires demographic data relative to the unduplicated students. Considering that the 2022-23 school year is well underway, districts don't yet know what they are to be tracking. Will the requirement be lenient for the 2022-23 school year:

RESPONSE: Details of the data collection are still being determined.

QUESTIONS & CDE RESPONSES-TRANS DATA COLLECTION

QUESTION: Will transportation data be available on the CDE website annually similar to LCFF?

RESPONSE: Yes, to comply with EC 41850.1 (c) that requires CDE to publish transportation data collected.

PLAN DEADLINE-APRIL 1, 2023

Suggested timetable to meet the annual April 1st. Transportation Deadline

- January each school year-Plan development
- February-Consultation with stakeholder groups, ie. Educational & community partners, which “may include” a municipally owned transit system for services to middle and high school pupils as appropriate
- March-Alternations to plan made based upon stakeholder input, presentation and adoption by School Board
- April 1st.-Plan filed

QUESTIONS



tim@pti-info.com

www.pti-info.com

