



# FACT SHEET

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Date: **March 15, 2007**

Report: **2006-109**

The California State Auditor released the following report today:

## Home-to-School Transportation Program *The Funding Formula Should Be Modified to Be More Equitable*

### BACKGROUND

State laws require K-12 school districts and county offices of education (school districts) to provide transportation services to special education students with transportation needs specified in their individual education programs; many school districts also provide such services to regular education students. During fiscal year 2004–05, California's school districts transported more than 91,000 special education students (at a total cost of more than \$438 million) and more than 830,000 regular education students (at a total cost of \$777 million). To help offset some of the transportation expenditures school districts incur, the Legislature created the Home-to-School Transportation (Home-to-School) program. State laws require the Department of Education (Education) to allocate Home-to-School program funds based on the lesser of their prior allocations or approved costs. For fiscal year 2004–05, the Legislature appropriated \$487 million for the Home-to-School program and for fiscal year 2005–06 it appropriated \$511 million.

### KEY FINDINGS

Our review of the Home-to-School program revealed that the current formula results in funding inequities.

- The current legally prescribed funding mechanism prevents some school districts that did not receive Home-to-School program funds in the immediately preceding fiscal year from receiving these funds because of the basis of allocation.
- Allocation increases are not always consistent with student population growth. Some school districts have experienced dramatic increases in student population over the years; however, their allocations have not always increased at the same rate.

Urban school districts typically incurred higher overall transportation costs per student (\$1,387 versus \$907) and received lower Home-to-School program payments per student than rural school districts (\$559 versus \$609). And while all school districts typically incurred higher costs to transport a special education student, such costs were higher in rural school districts than in urban school districts (\$5,315 versus \$4,728).

Most school districts had to use other funding sources to pay for some transportation costs and many reported it had varying levels of fiscal impact on other programs.

Staffing levels and student test scores bear no relationship to the amount of transportation expenditures the school districts paid per student from other state and local sources during fiscal year 2004–05.

### RECOMMENDATIONS

Education should seek legislation to revise current laws:

- To allow funding for all school districts that provide transportation services to regular education students, special education students, or both.
- To ensure that funding is flexible enough to account for changes that affect school districts' transportation programs, such as large increases in enrollment.

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