



## **School Transportation Task Force Meeting Notes**

February 13, 2024 10:00 AM - 1:00 PM

[SB23-094](#)

**Task Force Members Present:** Amy Lloyd, Brenda Dickhoner, Chad Miller, Erin Camper, Jennifer Douglas, Jon Hanover, Jana Schleusner, Jessica Morrison, Kaycee Headrick, Kevin Vick, Leiton Powell, Michael Madden, Morgan Judge, Sarah Swanson, Robert DiPietro, Trevor Byrne

**Task Force Members Absent:** Albert Samora, Casey Unga, Dave Slothower, David Werner, Daine Shiele, Debra Johnson, Joel Newton, Michelle Exstrom, Nicholas Martinez, Stephanie Hansen, Steve McCracken

**Guest Observers: Facilitator & Support:** Kate McDonald, Katie Tartaglia, Sarah Sullivan– Dillinger Research & Applied Data, Fred Stewart, Amy Carman, Jennifer Okes, Rich Hull, Yolanda Lucero, Rebecca McRee - Colorado Department of Education

### **Welcome and Agenda Review**

- Technical difficulties with the CDE Zoom link delayed the start of the meeting to 10:07AM.
- Kate reviewed the agenda items (slide 3), guidelines for interactions, deliberation, and collaboration (slide 4), and design thinking (slide 5).

### **Agenda Item #1- Data Collection Updates**

- Kate provided the members with a Data Collection Update (slide 6&7)
  - Since forwarding the surveys to individuals across the state the Task Force has received 667 parent/guardian responses and 348 driver responses.
  - Responses on both surveys have been received from all district setting types with high percentages coming from remote and outlying town designated districts.
  - Members were encouraged to reach out to districts they had contacts with that had not contributed to the surveys.
  - Draft district data requests were sent to three districts represented in the Task Force and feedback had been received from two.
  - Data requests will be finalized this week and shared with all districts to ensure ample time is provided for district personnel to complete the request.

### **Agenda Item #2- Transportation Funding Background**

- Rich reviewed the current transportation statutes that are currently in place which dictate how transportation funding is allocated and the amounts that are allocated. (slide 10)
- He emphasized the fact that because the language in the statute is specific and restrictive, the Task Force would need to recommend changes to the statute in order for any work to move forward.
- Rich reviewed a number of components within the current statute including
  - work to identify miles driven to transport kids to school and home, **not other activities**
  - route/mileage reimbursement
  - ¼ route miles reimbursed home/school
  - term definitions-specific as to what can be included
  - current operation expenses for student
  - entitlement period
  - reimbursement entitlement
  - shall/shall not vs may/may not- restrictive language
- Jana added that statute also prevented districts from including capital expenditures in their reimbursement calculations which limited the expenditures that could be included in the reimbursement process.
- Jennifer Okes followed up by noting that items over \$1,000 could be considered a capital expenditure, further limiting items that could be reimbursed.

- Rich reviewed the reimbursement form that the districts would submit to CDE noting all eight data points required for reimbursement. (slide 10)
- Rich reviewed the payment calculation process, all calculations required by state statute were reviewed in order to calculate final reimbursement amounts. (slide 10)
- Yolanda shared an example of the calculations done for a small district, including the errors identified during the audit process and the changes made during the reimbursement process.
- Kevin asked if there is an appeals process available to the districts when audits identify potential errors.
- Yolanda indicated that an email is sent to the district explaining identified errors and if the district chose they could provide additional documentation to support potential issues that had been identified by CDE.
- Jana shared with the group that currently, audits often take place several years after data is submitted to the CDE and as a result extensive time is spent both during and after the process for a small reimbursement percentage.
- Jana reviewed the CDE-40 worksheet data for her district. She highlighted several items including
  - what information is reimbursable and what is prorated
  - the fact that districts must track detailed information for years in anticipation of an audit years down the road for a small reimbursement
  - need to report accurately even with the small percentage to help identify the true cost of providing transportation within the district
- Mike highlighted the fact that items are not 100% reimbursed but in fact 100% eligible for reimbursement. Because only roughly 24% of a district's costs are funded, each component is only partially reimbursed.
- Rich and Jana agreed with that statement and indicated that it was an important consideration.
- Rich then reviewed the work of the FPP Transportation Subcommittee. (slides 11-29)
  - Districts are required to submit the 8 data points reviewed previously
  - CDE is required to provide administrative rules, guidelines to filling out forms, auditing resource guides, and training.
  - Errors are identified in the majority of audits and take a variety of forms, with approximately 78% of districts having errors in 2021.
  - High error rates are the result of the complexity and large amount of information required.
  - Surveys conducted during the subcommittee meetings demonstrated that all respondents wanted to change the reimbursement process but approximately half only wanted to make changes if they would not negatively impact funding amounts for their district. This led to the hold harmless clause in all scenarios.
  - Districts of a range of sizes were included in the subcommittee
  - CDE was represented across all departments
  - Goals of the subcommittee included
    - Simplicity and efficiency as a top priority by reducing data requirements
    - Equity and fairness with base level funding for all districts to specifically support small districts
    - Continue to have checks and balances in the process
    - Consistency and defined methodology while eliminating need to second payment
  - Overall approach of the subcommittee involved extensive discussion and modeling.
  - Variables considered were reduced to mileage and operating expenditures.
  - Eleven allocation scenarios were considered and reduced to two.
  - The remaining two scenarios were modeled using 8 variations.
  - Two final scenarios were recommended by the subcommittee.
  - Single Factor Scenario used operating expenditure, had a 20K base funding amount for all districts, based calculations on prior year actuals, eliminated the need for data submission by districts, provided a hold harmless, and a potential additional funding allocation.
  - Dual Factor Scenario used 60% operating expenditures, 40% reimbursable route miles, had a 10K base funding amount for all districts, provided \$0.57 reimbursement per mile, based calculations on prior year actuals, greatly reduced the need for data submission by districts, provided a hold harmless, and a potential additional funding allocation.

- Rich reminded the group that any change would need to start with revisions to the statute and that the recommendations put forward by the Task Force could be different than final legislation since the decision is ultimately out of their hands.
- Jana added that the focus of the subcommittees work was on simplifying the reimbursement process but they didn't discuss adequacy of funding. She pointed out that while transportation is underfunded the group would need to be careful and thoughtful about what they asked for so that if they asked for additional funding it wasn't at the cost of other areas of the general education budget. She mentioned that there are a number of education related Task Forces currently and they are all making recommendations that could impact overall education funding.
- Kevin asked if there are any districts that opt out of the reimbursement process due to the large amount of work that is required for a relatively small amount of funding.
- Yolanda said that since COVID the CDE has offered districts an opt out option and some districts have used it.
- Kevin asked if it was a significant number of districts.
- Yolanda and Jennifer Okes said that four districts opted out when the option was initially offered and that most recently seven districts have opted out of the process.
- Kate asked if there were any additional questions before the break and mentioned that when they returned they would review and discuss the two subcommittee scenarios in more detail.

**FIFTEEN MINUTE BREAK (11:46AM)**

***Discussion resumed at 12:02PM***

**Agenda Item #3- Transportation Funding Background**

- Kate reviewed the scenarios recommended by the FPP Transportation Subcommittee in 2021 that were presented before the break. She emphasized that as far as funding levels were concerned new estimates would need to be calculated using the most recent data.
- Chad asked how long the hold-harmless mentioned in the scenarios would stay in place.
- Rich stated that the Task Force could make recommendations around amounts and duration of a hold-harmless but it could be permanent or not depending on what they would like.
- Jennifer Okes mentioned that other Task Forces that have recommended a hold-harmless have done a variety of things but gave the example of the Finance Task Force which said the hold-harmless would be revisited after 1 year and then again every 5 years.
- Kevin asked if the spreadsheets with the models created by the subcommittee could be reviewed.
- Rich shared and reviewed the spreadsheet. The first outlined the two final scenarios and the 8 variations of each, while the second outlined the final two versions that were recommended by the Subcommittee.
- Rich then reviewed the district estimates that were created based on the models
- Chad asked if the mileage calculation used was based on combined route and activity miles or just route.
- Rich indicated that it was just based on route miles.
- Kate pointed out to the Task Force that if they thought it would be beneficial and easier to have the calculation based on total miles they could make that recommendation.
- Jennifer Okes followed up by saying that splitting mileage may be more difficult for some districts so tracking so a total might be helpful.
- Jennifer Douglas asked if charter schools were included separately in the model or if they were included as part of their district.
- Jennifer Okes indicated that the charter schools were submitted as part of their authorized district.
- Kate reviewed with the group what had been discussed so far and discussed what might be considered the minimum requirements for the group with regards to the scenarios.
- Jana pointed out that the scenarios don't include any potential for increased funding and suggested that the Task Force might want to address that as well.
- Chad mentioned that the hold-harmless provision would raise funding but asked if there should be recommendations around where additional funds should be allocated specifically to more strategically fund transportation.

- Rich reiterated to the group that they could recommend whatever they wanted with regards to funding but emphasized the fact that because transportation funding is a component of categorical funding, adding to transportation could result in funds being taken away from other program areas.
- Kate asked if someone from CDE would explain what categorical funding was so that everyone on the call was up to speed with that component of school finance.
- Jennifer Okes explained to the group what categorical funding is, what program areas are included, and how categorical funding typically is allocated. She mentioned that categorical funding does always increase by inflation and that it can't be reduced, however one pot of money is used to fund all areas, as a result, increasing funding to one area can lead to a decrease in other areas. Typically allocation is done based on a gap analysis but ultimately it is up to the legislature as to how the categorical funding is allocated to the programs.
- Jana asked the group to consider making a recommendation to increase overall funding given that the education space in general is underfunded and she did not want to ask for more funding for transportation to the detriment of general education.
- Rich noted that simplifying the process would hopefully provide some additional funding on its own.
- Mike suggested that the group could make recommendations that are attached to specific conditions regarding increases in funding in certain areas but not allowing for decreases in funding elsewhere.
- Kate suggested to the group that they may want to suggest an increase in overall categorical funding with all the increase going to transportation to help minimize the chances of funding being taken away from other programs.
- Kate reviewed the minimum requirements that the group had agreed to during the meeting
  - Move both scenarios recommended by the Subcommittee forward
  - Change existing state transportation statute to enable other changes to take place
  - Increase transportation funding without taking funding away from other categoricals
- The members voted on the minimum requirements and they were approved. (four 5 votes, six 4 votes, one 3 vote)

#### **Agenda Item #4- Next Steps**

- Kate reminded the group that the next meeting would be on Tuesday March 19th at 10AM and the topic would be drivers salaries, benefits, and talent pipelines.
- Kate indicated that the agenda and pre-reads for the meeting would be sent out the week before the meeting and encouraged Task Force members
- The members were reminded that if they wanted to share any documents they felt would be relevant to the discussion they should forward them to Kate as soon as possible.
- Kate reminded the group that Susan Miller would be returning at the beginning of March.
- Kate thanked the Task Force members for attending and closed the meeting.