

CAPITAL OUTLAY AND/OR DEBT SERVICE

Alabama

Amount per student adjusted for wealth of LEA as determined by the value of 1 mill of ad valorem tax per student.

Alaska

State reimburses municipalities up to 70% of debt service costs for pre-approved construction projects over \$25,000. Direct construction appropriations are made for schools outside organized municipalities.

Arizona

No information provided.

Arkansas

6-20-2503 Bonded debt assistance: (b)(1) ... the state shall provide eligible school districts with financial assistance for the purpose of retiring outstanding bonded indebtedness in existence as of January 1, 2005. (2) The amount of financial assistance under this section is based on: (A) The total amount required to satisfy a school district's outstanding bonded indebtedness in existence as of January 1, 2005; (B) The annual amount due on a fiscal year basis from the school district in accordance with the principal and interest payment schedule in effect and on file with the Department of Education on January 1, 2005, for the outstanding bonded indebtedness identified under subdivision (b)(2)(A) of this section; and (C) The calculation in subdivision (b)(3)(A) or (b)(3)(B) of this section. (2)(A) In addition to the financial assistance provided under subsection (b) of this section, a school district shall receive in accordance with subdivision (e)(2)(B) of this section state financial assistance equal to all or a portion of the general facilities funding that the school district received or would have received under the Supplemental School District Funding Act of 2003, § 6-20-2401 et seq. [repealed], during Fiscal Year 2005. (B) The commission shall phase out state financial assistance under this subsection over a ten-year period by reducing the amount received by a school district under this subsection after Fiscal Year 2006 by 1/10 in each year of the ten-year period with the savings distributed through the Educational Facilities Partnership Fund Account in accordance with rules promulgated by the commission. *The last year funding is disbursed in the ten-year phase out is FY15.* (f)(1) If a school district elected to receive supplemental millage incentive funding under the Supplemental School District Funding Act of 2003, § 6-20-2401 et seq. [repealed], during Fiscal Year 2005, the commission shall compute the difference between the amount of supplemental millage incentive funding that a school district received in Fiscal Year 2005 and the amount of debt service funding supplement and general facilities funding that the school district would have received under the Supplemental School District Funding Act of 2003, § 6-20-2401 et seq. [repealed], in Fiscal Year 2005. (2)(A) In addition to the financial assistance provided under subsection (b) of this section, a school district that elected to receive supplemental millage incentive funding under §6-20-2401 et seq. [repealed], shall receive in

accordance with subdivision (f)(2)(B) of this section state financial assistance equal to all or a portion of the amount of supplemental millage incentive funding that exceeded the amount that the school district would have received under debt service funding supplement and general facilities funding under § 6-20-2401 et seq. [repealed]. (B) The commission shall phase out the state financial assistance under this subsection over a ten-year period by reducing the amount received by a school district under this subsection after Fiscal Year 2006 by 1/10 in each year of the ten-year period with the savings distributed through the Educational Facilities Partnership Fund Account in accordance with rules promulgated by the commission. *The last year funding is disbursed in the ten-year phase out is FY15.*

Projects after January 1, 2005 may receive funding under Arkansas Code § 6-20-2501 - the "Arkansas Public School Academic Facilities Funding Act".

California

California has a statewide school building program supported by statewide bond measures. Statewide bond measures require a simple majority (50% plus one) to pass. The last statewide general obligation bond, Proposition 1D was approved by voters in November 2006 and provided \$7.3 billion to K-12 education facilities with specified amounts designated for modernization, new construction, charter schools, career technical education facilities, joint use, projects for new construction on severely overcrowded school sites, and high performance incentive grants to promote energy efficient designs and materials. For most state-funded projects there is a requirement for a local contribution to match state funding.

Local school districts can issue school construction bonds and levy property taxes to pay for them, provided they get voter approval. In November 2000 California voters passed Proposition 39, which allows school bonds to be approved with a 55% "super-majority" (with restrictions on the amount of the bond and greater accountability requirements). Since the passage of Proposition 39, districts have had the choice of whether to seek two-thirds or 55% approval. Local elections that rely on 55% approval have been more successful, with more than 80% passing.

School districts also have the authority to levy developer fees on residential and commercial construction or reconstruction, but statewide these fees generate significantly less money than bonds. The money may be used only for school facilities, including portable classrooms. These fees are charged both to developers of new residential and commercial properties and to property owners who add square footage to existing homes. No fee is assessed if there is no change in square footage or for residential additions of less than 400 square feet.

Colorado

The bonding limit is 20% of assessed valuation. In a district with rapid enrollment growth, 25% of assessed valuation is the limit. Rapid enrollment growth is defined as 2.5% or more increase in enrollment per year for at least three years or five years whichever is higher.

Capital/Building Needs

Four distinct avenues through which a school district may meet its capital/building needs are discussed below.

Bonded Indebtedness (C.R.S. 22-42-102) -- A district may hold an election to authorize it to issue bonds to meet its capital needs. Principal and interest payments on bonds are paid from increased property tax revenues generated by a separate, additional mill that the district must be authorized to levy. A district may not have outstanding bond debt in excess of 20% (25% for rapidly growing districts of its assessed property valuation or 6% of its actual property value, whichever is greater).

School districts considering submitting a ballot question for bonded indebtedness to the electors of the district shall invite each charter school to participate in discussions regarding the possible submission of a ballot question.

Special Building and Technology Fund (C.R.S. 22-45-103(1d)) -- A district may hold an election to authorize it to levy up to ten mills for not longer than three years. Moneys generated by this levy are available to fund the purchase of land, the construction, purchase, and maintenance of facilities, and the purchase and installation of building security, instructional, and informational technologies.

Building Excellent Schools Today (B.E.S.T.) (Article 43.7 of Title 22) -- Provides a new funding structure for school capital construction projects, allowing school districts to enter into certificates of participation for lease-purchase agreements through the State Treasury for construction projects. Maintains a grant program for school capital construction projects that do not meet the requirements of the lease-purchase program. Brings all capital construction funding under one umbrella for administration and distribution of funds and is intended to replace the remaining obligations of the “Giardino Settlement.”

Loan Program for Capital Improvements in “Growth Districts” (C.R.S. 22-2-125) -- A district which is identified as a “growth district” as defined above, is eligible to apply for a loan from the State Treasurer. This debt must be voter approved and if a property tax mill levy is the method of repayment, such levy must also be approved at the same time. At the time of the loan application, the district must specify the method of repayment and the terms of repayment may not exceed 10 years. The district must also have voter approval for a repayment period of longer than one year.

If a property tax mill levy will be used to repay the loan, the mill must be no more than 5 mills or a number of mills determined by dividing the latest statewide average per pupil assessed valuation (PPAV) by the latest PPAV of the growth district, whichever is less. If the district’s PPAV is greater than the statewide average PPAV, the growth district may impose an additional property tax levy of no more than 1 mill.

Connecticut

The state pays 10-70 percent of approved projects (or 20-80 percent if it can be shown that new construction is less expensive than renovation), inversely related to district wealth. For regional districts, the state pays an additional 10 percentage points on an equalized basis, but such districts may not receive more than 85 percent reimbursement. In addition, the state pays 80 percent for approved interdistrict magnet schools, agricultural science centers and regional

special education facilities. Bonded indebtedness may not exceed 160 percent of the current year estimated tax receipts.

Delaware

The state pays between 60% and 80% of approved major capital projects (projects exceeding \$750,000); 100% for special schools and vocational schools. Bond issue must be approved by referendum of the local district. Bonded indebtedness is limited to 10% of the assessed valuation of the district.

For Minor Capital Projects (projects up to \$750,000) the state provides an annual allocation to districts and charters and the districts and charters must match the state contribution with a 40% local match.

Florida

Pursuant to Article XII, Section 9(d), of the Florida Constitution, the first proceeds from the tax on motor vehicle licenses are available to school districts and state colleges for capital outlay purposes. The number of instructional units determines the annual allocation of Capital Outlay and Debt Service funds for each school district and state college. A school district or state college may elect to bond its allocation or receive the funds as cash (commonly referred to as “flow-through”).

Georgia

The state provides grants based on increased growth and consolidation. Bonded indebtedness may not exceed 10% of a school district’s total assessed property.

Hawaii

The State Legislature appropriates funds for public school system capital improvements. The appropriation varies depending on annual decisions; however, the major components are:

- New school construction projects
- Construction of new classrooms or other facilities on existing campuses
- Major repairs and maintenance, such as roofing, remodeling, etc.
- Whole school renovations, prioritized based on age of the campuses
- Compliance with the Americans with Disabilities Act (ADA requirements and other health and safety regulations, including noise/heat abatement).
- Electrical upgrades

As part of landmark legislation in 2004, several school construction and repairs/maintenance functions were transferred from another state agency to the public school system. As a result of the successful implementation of this transfer, the public school system achieved significant improvements in service levels, response time and efficiencies in providing services to schools.

Idaho

Bonded indebtedness may not exceed 5% of total assessed market value of property. Some elementary school districts have a limit of 2%.

Illinois

Funds are annually appropriated for capital construction projects. However, due to a lack of available revenues to support these appropriations, funds are regularly re-appropriated until such time as revenues become available.

Indiana

Does not apply.

Iowa

Debt is limited to 5% of assessed property valuation.

Capital outlay is provided by a local property tax levy/income surtax, a local bond issue, or a statewide one-cent sales and services tax for school infrastructure. No supplemental state aid is provided.

Kansas

Districts may make a mill levy of up to 8 mills for capital projects and equipment. The state provides state aid to school districts based upon the amount of taxes levied. The state aid rate for each district is computed based on the assessed valuation per pupil of the district, with the lower valuation per pupil districts getting a higher state aid rate.

Kentucky

The state provides \$100 per aggregate average daily attendance (AADA) in its biennial budget for school districts to use for priority projects approved on the district facility plan or for payment of debt service. These are restricted funds.

School Facilities Construction Commission issues and pays principal and interest on bonds based on the funding allotted in the biennial budget for that purpose. The allocation of funds is paid on behalf of the districts based on the district's unmet need percentage relative to the total district unmet need of the state.

Louisiana

No State Aid Provided.

Maine

All expenditures for school construction that are approved by the State Board of Education are subsidized by the State.

Maryland

School construction in the Capital Improvement Program (CIP) is a shared State/local cost. Some school construction costs in the CIP, as well as locally-funded projects are exclusively the responsibility of the local jurisdiction. They include such items as site acquisition; architectural and engineering fees; utility connections; regional or central administrative offices; permits; movable furniture and equipment; and small repair projects. The State funds its share of school construction primarily through the issuance of general obligation bonds. The State also provides an annual grant for the Aging Schools Program and issues bonds for the Qualified Zone Academy Bond program.

Massachusetts

School building assistance is calculated based on a formula that weighs a community's property value and income against state wide averages and includes a poverty factor based on the district's proportion of low income students. State bonds are issued backed by a penny of the state's five-cent sales tax to support actual building expenses. Payments are made to communities for approved school projects as expenses are incurred, mitigating the state's obligation on interest costs.

Michigan

Michigan does not allocate additional funding for capital outlay/debt service. Districts must pass a dedicated millage for these items or use their general funds.

Minnesota

The capital outlay revenue program include four major components not requiring voter approval: operating capital revenue, health and safety revenue, alternative facilities revenue and lease levies. Operating capital revenue, which is part of the general education revenue program, equals \$79 plus \$109 times a facilities age index equal to 1 plus the lesser of 50 or the district's average school building age per weighted ADM, and is funded with an equalized levy. Health and safety revenue equals the approved cost of health and safety projects, and is also funded with an equalized levy. Alternative facilities revenue allows 24 large school districts to make an annual levy or issue bonds for the approved costs of deferred maintenance, health & safety or disabled access, and allows other districts to make an annual levy or to issue bonds for the approved costs of health & safety projects exceeding \$500,000 per site. Additionally, a district may also levy for the approved cost of renting or leasing facilities, not to exceed \$212 per pupil unit. Charter schools receive building lease aid equal to the lesser of \$1,200 per weighted ADM or 90% of approved building lease costs.

Two programs require voter approval: issuance of general obligation bonds, which are repaid with an annual debt service levy, and capital project referendum levies. For debt service, a district may levy an amount equal to 105% of the amount needed to make principal and interest payments on general obligation bonds. The levy is equalized by the state using a two-tiered equalization formula. Additionally, a district may levy the local tax rate approved in a capital project referendum for facilities and equipment purposes. No state equalization is provided for this levy.

Further, a district may levy without voter approval 105% of the amount needed to make principal and interest payments on certificates of indebtedness or capital notes issued for certain facilities projects or the purchase of specified capital equipment. The amount levied under this program is subtracted from the general fund levy of the district.

Finally, a limited loan program, requiring specific legislative approval for individual projects, exists to assist districts with unusually high debt service effort.

Mississippi

Bonded indebtedness limit is 15% of assessed property valuation. Additional authority for Notes and Certificates of indebtedness is limited to the amount a three mill tax levy for 10 years will repay, including interest.

Missouri

There is no state funding specifically for capital outlay or debt service. However, a portion of each district's state aid comes through the Classroom Trust Fund. This fund consists of money generated by state riverboat gaming operations and unclaimed lottery prize money. This money may be placed in any fund at the discretion of the local school board, including Capital Projects and Debt Service, and used for any purpose.

School districts in Missouri may take advantage of the state's credit rating when issuing general obligation bonds, thus obtaining a lower interest rate than would otherwise likely be available to the district. Districts choosing this option have a portion of their monthly state payment redirected to a selected bank that manages the principal and interest payments on the bonds.

Due to funding constraints, districts may transfer previously accrued funds from Capital Outlay back to either the Incidental or Teacher Fund. This allowance applies until such time the Foundation Formula again becomes fully funded.

Montana

Bonded indebtedness may not exceed 50% of taxable property value of the district. District may issue bonds for limited purposes after an election. State facilities acquisition program assists districts in repaying bonds by providing subsidies to districts having lower than statewide average taxable valuation per pupil. The 2013 Legislature appropriated \$ 12,418,642 for the 2015 biennium for grants to school districts for school facility projects, emergency school facility projects, and for planning facility projects under the Quality Schools Facilities Program. The purpose of the program is to distribute grants to public school districts to assist schools in addressing major deferred maintenance, repairing or replacing existing building components that are inoperable or difficult to service or that lack minimum integrity. Preference is given to school facility projects involving repairs to existing facilities over project involving construction of new facilities.

Nebraska

There are no limits on school districts.

Nevada

Bonded indebtedness may not exceed 15% of assessed valuation.

New Hampshire

For single town districts the State pays 30% to 60% of annual payment of bonded eligible principal for approved construction and renovation projects. For cooperative districts, receiving district operating an area school, or joint maintenance agreements (multi-town) annual payment ranges from 40% to 60%. For multi-town districts the rates are based on the number of towns within the cooperative district and the equalized valuation per pupil and median family income of those towns. The percentage of the annual payment for is then normalized using the average daily membership in residence for each town. Limitations based on capacity needs and a maximum allowable per square foot rate apply to both renovations and new construction. For the 2015 fiscal year the State Building Aid Program total debt payments to schools for completed projects is on the order of \$42,000,000.

New Jersey

Debt service is available to any district with qualifying outstanding debt from school construction or renovation projects. The SFRA defines the debt service state share percentage as the ratio of Equalization Aid to the Adequacy Budget. In addition, with the enactment of the Education Facilities Construction and Financing Act (EFCFA) in fiscal year 2000, districts could choose to receive grants of no less than 40% of department approved eligible construction costs, or their debt service state share described above.

New Mexico

Guarantee of \$62.04 per mill per program unit less two mills, other by application. Bonding limit of 6% of net assessed property valuation. Mill levy of (10) less two mills and debt service.

New York

State Building Aid is paid on an assumed amortization schedule. For each approved capital project, an assumed amortization schedule is generated based on the total approved project cost (the principal), a statewide average interest rate and a term of 15, 20 or 30 years for reconstruction projects, additions and new buildings, respectively. (The interest rate from actual borrowings is used for projects funded through the Dormitory Authority of the State of New York and for fiscally dependent school districts.) State Building Aid is based on the assumed annual aidable debt service amount for each project (not actual debt service) multiplied by an aid ratio.

Limits for bonded indebtedness are based on the relationship of debt to full value of district property. The limit is 10% of property valuation for non-city school districts and New York City; 5% for city schools under 125,000 population; and 9% for city school districts over 125,000.

North Carolina

State Lottery funds <http://www.ncpublicschools.org/fbs/allotments/lottery/>

State Literary Loan fund provides a maximum loan for any one county in a fiscal year of five hundred thousand dollars (\$500,000).

The rate of interest on loans shall be based on 95% of the Bond Buyer 20-Bond Index that is published at the time the loan is approved by the State Board of Education not to exceed eight percent (8%).

North Dakota

Capital projects for North Dakota school districts are ultimately funded solely by local property taxes. For major projects, the local school board may request authority from the voters to issue bonds. A supermajority (60%) of the qualified voters voting on the proposed project is necessary for approval. Total outstanding bonds cannot exceed 10% of the total assessed valuation in the district. The voters confer authority to incur indebtedness at a specified amount, to then sell bonds to raise funding for the proposed project, and finally to establish a sinking and interest fund and associated levy to raise revenue to pay interest and amortize the outstanding principal (N.D. CENT. CODE § 21-03). School boards may also secure authority from the voters to establish and maintain a building fund (N.D. CENT. CODE § 57-15-16). This authority may be approved to a maximum of 20 mills per year. Since 1985, school boards have had the authority on their own initiative to sell bonds and then pay interest and amortize the principal from proceeds of the building fund levy. A number of restrictions and requirements apply to such action (N.D. CENT. CODE § 21-03).

Ohio

The Ohio School Facilities Commission provides funds for school facilities projects based on the assessed property valuation per student. That property wealth factor determines the state and local share of the facilities project. The OSFC also reimburses public schools for the purchase of one radio communications unit and one entrance security system per eligible building.

Oklahoma

Bonded indebtedness cannot exceed 10% of total assessed valuation.

Oregon

One of the four components in the school equalization includes a limited grant program for classrooms. Please see the facilities grant program described above.

Pennsylvania

The state provides subsidies to school districts for the construction, renovation or purchase of school buildings on the basis of approved expenditures, which are based on the rated pupil capacity of the building as approved by the Department of Education.

The limit for school district indebtedness is based on the level of the borrowing base, which is the average of a district's total revenues for the three years preceding the year in which such debt will be incurred. Non-voted debt cannot exceed 250 percent of the borrowing base, except in

Philadelphia where the limitation is 100%. The limitation goes to 300 percent of the base when new lease rental debt is included (150 percent in Philadelphia).

Rhode Island

The Housing Aid program provides partial reimbursement of school construction projects. The reimbursement share ratio is based on a district's wealth compared to the aggregate state wealth, with a minimum share of 35% (minimum share remains 30% for projects completed prior to June 30, 2012). Incentive bonuses are built into the formula for energy conservation, handicapped accessibility, and asbestos abatement projects. Regional districts are also entitled to an additional incentive bonus. The Board of Education and state legislature must approve all school construction projects prior to implementation.

South Carolina

Bonded indebtedness limited to 8% of assessed valuation unless a referendum is held for the increase.

South Dakota

The Capital Outlay funding level is limited to \$3.00/\$1,000 in taxable valuation. Debt service is based on the level approved by voters. Bonding limit is 10% of a district's taxable value less outstanding bonds.

Tennessee

Funding based on the cost of capital outlay is included in the non-classroom component. The state's share of support for the non-classroom category is 50%.

100 sq ft per total K-4 ADM x \$136/sq ft
110 sq ft per total 5-8 ADM x \$138/sq ft
130 sq ft per total 9-12 ADM x \$136/sq ft
Add equipment (10% of sq ft cost)
Add architect's fee (5% of sq ft cost)
Add debt service (20 yrs @ 6.00%)
Divide total by 40 yrs = annual amount

Texas

The state provides a bond guarantee program that backs school districts with the Permanent School Fund on the bond market. The program provides an AAA rating for approved school district and charter school bonds that results in favorable market conditions. Charter schools must be able to achieve an investment grade rating without the benefit of the guarantee to be eligible.

The state also provides two tax rate equalization programs to assist districts with the repayment of long-term debt:

- The Instructional Facilities Allotment (IFA) program was authorized in 1997. This program assists districts with repaying annual debt service on bond issues and lease-purchase agreements that districts use to fund instructional facilities. Districts submit applications for this program after they receive authorization from voters to issue the long-term debt but before the debt's issuance. Districts that receive awards begin receiving state assistance during the first year after the debt is issued. The state assistance is provided through tax-rate equalization. The program effectively equalizes tax effort to the equivalent of \$350,000 per ADA per penny of tax effort.
- The Existing Debt Allotment (EDA) program was authorized in 1999. This program assists districts with repaying debt service on bonds that the district has issued and paid on as of a date certain in statute. The Texas Legislature has rolled the eligibility date forward by two years during each session since 1999 and established a permanent roll-forward provision in 2009. Currently, bonds that were issued and had at least one payment made on or before August 31, 2013, are eligible. This program also provides tax-rate equalization that provides the equivalent of \$350,000 per ADA per penny of tax effort.

The primary difference between the IFA and the EDA programs is the timing of state assistance. With the IFA program, districts that receive IFA awards begin receiving state assistance as soon as the eligible debt is issued. With the EDA program, school districts typically issue the debt and make payments for up to two years before receiving state assistance, depending on the timing of the bond issuance. Also, the EDA program does not provide state assistance for lease-purchase agreements.

Utah

The full faith and credit of the State of Utah is behind every general obligation bond now issued by Utah school districts. Please see Utah School Bond Guarantee Act. The state also provides \$14,499,700 to school districts FY 2014-15 for the Capital Outlay Foundation Program and the Capital Outlay Enrollment Growth Program. Here is a description of the two programs from the USOE web site. School district general obligation debt is limited to four percent of the fair market value of the school district. Under the "School District Bond Guarantee Act" the State of Utah stands behind every school district General Obligation Bond with full faith and credit—that is, each school district has the AAA rating that the state enjoys—thereby saving schools districts funding as they negotiate interest rates on the G.O. Bonds.

Vermont

State aid for school construction has been suspended indefinitely. Debt service payments for construction projects conducted by districts become part of a district's spending per pupil amount-

Virginia

Literary Fund Loans ostensibly are available from the Commonwealth up to a maximum loan of \$7.5 million per project. Due to unavailability of funds, Literary Fund Loans have not been

issued since January 2008 and the prospect for the future is not encouraging. If funds again become available, the interest rates charged school divisions will be as follows:

- 0.2999 and below -- 2%
- From 0.3000 to 0.3999 -- 3%
- From 0.4000 to 0.4999 -- 4%
- From 0.5000 to 0.5999 -- 5%
- 0.6000 and above -- 6%

Virginia Public School Authority (VPSA) offers school divisions use of the credit rating for the Commonwealth and usually lower interest rates to market their bonds. The VPSA also enables divisions to market their bonds without voter approval unless restricted by the localities' own policies and regulations.

Lottery Funds not designated for specific programs (listed above as *State Lottery Proceeds Fund*) are provided to school divisions to support the state share of the lottery funds per adjusted student in average daily membership which is determined through use of the divisions' LCI. However, there are restrictions on how these funds may be expended. No more than 50% of lottery funds can be used for recurring costs, i.e., current expenditures, and at least 50% must be spent on nonrecurring expenditures, including school construction, additions, infrastructure, site acquisition, renovations, technology, and other expenditures related to modernizing classroom equipment, and debt service payments on school projects completed in the last ten years.

Washington

Approved projects on percentage equalizing basis, with 50% aid in district with average assessed value per student; minimum 20%, maximum 100%; uniform space criteria is basis of need. Total debt limit is 5% of assessed property, 2.5% of this is for capital construction.

West Virginia

The funding formula does not provide funds for either capital outlay or debt service.

Wisconsin

Capital outlay financed directly from taxes is included in a district's shared cost calculation for equalization aid purposes. Long-term indebtedness is limited to 10% of equalized valuation in K-12 districts, 5% in other districts, and for Milwaukee, 5%, plus an additional 2%.

Wyoming

The School Facilities Commission (SFC), a separate state agency, handles the construction of new schools as well as capital outlay for those buildings requiring remodeling or major maintenance. There are also some funds available through SFC for emergency funds needed for the schools. Districts can still pass bond issues with voter approval for enhancements in excess of the state building adequacy standards.

TRANSPORTATION

Alabama

Personnel positions, fuel, and non-salary costs are allocated based on the size of the operation. Funding for school bus purchases provided on a 10 year depreciation schedule.

Alaska

State reimburses districts through a grant process on a per-child cost basis. The per-child costs are multiplied by the ADM to derive the grant amount. The grants are disbursed in three installments throughout the fiscal year and funded separately from the foundation program.

Arizona

Districts calculate a Transportation Support Level and in most cases receive state aid based on prior year's daily route miles per student transported. Rates are \$2.49 per mile for districts with .5 miles or less per student, \$2.04 for .501 to one mile and \$2.49 for greater than one mile per student. Additional support is allowed for academic, vocational and technical education and athletic trips. This increase is determined by a factor based on district type and mile per student and varies from 15% to 30% over the support level calculated above. Approved daily route miles are multiplied by 180 days.

Transportation support per mile

Mileage	Support
.05mi or less	\$2.49
More than .05 less than 1.0mi	\$2.04
More than 1.0mi	\$2.49

Arkansas

Does not apply except for certain isolated school districts. Undistributed funds under § 6-20-604 and § 6-20-603 shall be distributed as transportation funding (h) on an equal basis per school district to each school district that receives funding under § 6-20-604 (c)-(e).

California

California provides about \$500 million in funding to partially reimburse school districts for home-to-school and special education transportation expenditures. Annual funding is limited to amounts received by each school district for the Home-to-School Transportation program in 2012-13 fiscal year.

Colorado

Based upon a one-day count of route miles districts receive \$.38 per mile plus 34% of the difference between current operating expenses for pupil transportation and the amount determined by multiplying \$.38 times miles traveled times days of school. Maximum

reimbursement is 90% of current operating expenditures. Reimbursement is based on prior year July – June.

Connecticut

The state pays 0-60 percent of eligible prior year expenditures, inversely related to district wealth. Regional high school districts receive an additional 5 percent, and regional K-12 districts receive an additional 10 percent. Districts are guaranteed a minimum grant of \$1,000. Grants are proportionally reduced to stay within the legislatively approved appropriation, inasmuch as the grant has been capped for several years.

Delaware

Transportation for eligible public school students is funded through a legislatively-directed transportation formula to provide funds to the districts for district- or contractor-provided school transportation. For the districts the State pays for 90% of these costs and the districts pay for approximately 10% of the costs. Transportation benefits are provided for pupils in grades K-6 whose legal residences are one (1) mile or more from the schools to which they would normally be assigned and for pupils in grades 7-12 whose legal residences are two (2) miles or more from the schools to which they would normally be assigned. Public charter schools are provided transportation funding for eligible students based on 70% of the average cost per student of transportation within the vocational district in which the charter school is located.

Florida

The student transportation funding formula provides funds to 67 school districts based on each district's pro rata share of eligible transported students. Eligible transported charter school students may be included in the districts' student transportation funding claims. The formula includes an enhancement for the transportation of disabled students requiring specialized transportation services. In addition to students transported by public school buses, the funding formula includes students transported to and from school on local general purpose transportation systems and students transported to and from school in private passenger cars and boats when the transportation is for isolated students or for students with disabilities as defined by State Board of Education, Administrative Rule 6A-6.0301, Florida Administrative Code. Adjustments to each district's share of state transportation funds are made for cost of living differences, the percent of population outside of urban centers, and efficiency.

Students in membership in kindergarten through grade 12 (K-12) and in prekindergarten exceptional student education programs are eligible for transportation funding if one of the following conditions is met:

- The student lives two or more miles from the school.
- The student is classified as a student with a disability under the Individuals with Disabilities Education Act (IDEA), regardless of distance (excluding gifted students). K-12 students identified with Specific Learning Disabilities, Speech Impairments, or Language Impairments who live less than two miles from their assigned school are eligible only if transportation services are required by the student's Individual Educational Plan.

- The student/parent or infant is enrolled in the Teenage Parent Program (TAP).
- The student is enrolled in a state-funded prekindergarten program (IDEA or TAP), regardless of distance from home to school. Prekindergarten children not enrolled in IDEA programs, or whose parent or parents are not enrolled in a TAP program, are not eligible for state transportation funding. Prekindergarten students in the following programs are **ineligible** for transportation funding under Section 1011.68, Florida Statutes (F.S.), unless the students are also disabled or in a TAP program. These ineligible groups include, but are not limited to, students in Prekindergarten Title I, federally funded Prekindergarten Migrant programs, Prekindergarten Early Intervention, Head Start, and Readiness Coalition programs.
- The student is a career or exceptional student being transported from one school center to another where appropriate programs are provided. Dually enrolled students, as defined by Section 1011.68, F.S., who attend a university, community college, or career college, are included.
- The student meets the criteria for hazardous walking as stated in Section 1006.23, F.S. Only elementary school students are eligible for funding under the hazardous walking category.

Georgia

State aid is provided according to a schedule of standard transportation costs and a schedule of variable transportation costs.

Hawaii

Funds for the student transportation program are appropriated by the State Legislature to the public school system. In 2000, the student transportation program was transferred to the public school system from another state agency.

Idaho

District transportation support program is based on transporting pupils 1-1/2 miles or more to school. The state funds 85% of the allowable cost through the foundation program, less \$7.5 million, which is to be used as discretionary funding.

Illinois

For regular pupils, the state provides a minimum of \$16 per pupil or actual eligible costs less a qualifying amount which is equalized based on district wealth. For vocational and special education, 80% of allowable costs from the prior year are reimbursed to the extent that appropriated funds are available.

Indiana

Does not apply.

Iowa

Transportation is not categorically funded but is included in the foundation program funding.

Kansas

All districts transporting pupils living 2.5 miles or more from the school receive the state average cost per pupil based on a linear-density formula. The formula takes into account the per pupil cost of transportation, density of the district in terms of pupils transported, and square miles in the district.

Kentucky

KRS 157.370 Allotment of transportation units.

1. In determining the cost of transportation for each district, the chief state school officer shall determine the average cost per pupil per day of transporting pupils in districts having a similar density of transported pupils per square mile of area served by not less than nine different density groups.
2. The annual cost of transportation shall include all current costs for each district plus annual depreciation of pupil transportation vehicles calculated in accordance with the administrative regulations of the Kentucky Board of Education for such districts that operate district-owned vehicles.
3. The aggregate and average daily attendance of transported pupils shall include all public school pupils transported at public expense who live one mile or more from school. Children with disabilities may be included who live less than this distance from school. The aggregate and average daily attendance referred to in this subsection shall be the aggregate and average daily attendance of transported pupils the prior year adjusted for current year increases in accordance with Kentucky Board of Education administrative regulations.
4. The square miles of area served by transportation shall be determined by subtracting from the total area in square miles of the district the area not served by transportation in accordance with administrative regulations of the Kentucky Board of Education. However, if one district authorizes another district to provide transportation services for a part of its area, this area shall be deducted from the area served by the authorizing district and added to the area served by the district actually providing the transportation.
5. The density of transported pupils per square mile of area served for each district shall be determined by dividing the average daily attendance of transported pupils by the number of square miles of area served by transportation.
6. The chief state school officer shall determine the average cost per pupil per day of transporting pupils in districts having a similar density by constructing a smoothed graph of cost for the density groups required by subsection (1). This graph shall be used to construct a scale showing the average costs of transportation for districts having a similar density of transported pupils. Costs shall be determined separately for county school districts and independent school districts. No independent school district will receive an average cost per pupil per day in excess of the minimum received by any county district or districts. These costs shall be the costs per pupil per day of transported pupils included in the public school fund and these costs shall be recalculated each biennium.

7. The scale of transportation costs included in the fund to support education excellence in Kentucky for county and independent districts is determined in accordance with the provisions of KRS 157.310 to 157.440 for the biennium beginning July 1, 1990.

8. The cost of transporting a district's pupils from the parent school to a state vocational-technical school or to a vocational educational center shall be calculated separately from the calculation required by subsections (1) through (7) of this section. The amount calculated shall be paid separately to each district from program funds budgeted for vocational pupil transportation, as a reimbursement based on the district's cost for providing this service. The amount of reimbursement shall be calculated in accordance with Kentucky Board of Education administrative regulations. In the event that the appropriation for vocational pupil transportation in the biennial budget is insufficient to meet the total calculated cost of this service for all districts, the amount paid to each district shall be ratably reduced. For the purpose of this subsection, the parent school shall be interpreted to mean that school in which the pupil is officially enrolled in a district's public common school system.

9. The Kentucky Board of Education shall determine the type of pupil with a disability that qualifies for special type transportation to and from school. Those qualified pupils for which the district provides special type transportation shall have their aggregate days' attendance multiplied by five (5.0) and added to that part of the district's aggregate days' attendance that is multiplied by the district's adjusted cost per pupil per day in determining the district's pupil transportation program cost for allotment purposes.

Louisiana

No categorical state aid provided. However, MFP block funding is available to support transportation costs.

Maine

The total subsidized transportation operating funds for each LEA is calculated on a funding formula that reflects LEA student density and miles traveled each year. Additional adjustments are provided for island schools, out-of-district special education costs and ferry services.

Maryland

Disabled student transportation is funded at a per pupil amount per number transported. Regular base transportation grant equals its base grant in the prior year. It was increased by an inflation factor of 1% in FY-2015. An additional grant is issued to school systems experiencing increased enrollment. The Fiscal Year 2015 funding level is \$258 million for Transportation programs.

Massachusetts

The state reimburses regional districts for transportation at a fixed rate dependent upon the appropriation each year. In FY14, the rate is estimated to be 66.4 percent. The state reimburses districts for homeless transportation costs at a rate of 50.8%. It also reimburses districts for the transportation of non-resident vocational students at a rate of 9%.

Michigan

There is no longer specific categorical funding in Michigan for transportation. The transportation funding paid as a categorical grant prior to 1995 was rolled-up into the per pupil foundation grants implemented beginning in 1995. There are about \$3 million in State Aid funds appropriated annually to fund bus driver safety and to facilitate public school bus inspections.

Minnesota

Funding for regular to and from school transportation for public school students is included in the general education revenue program. Of the basic general education formula, 4.66% (\$272 per weighted ADM) is attributable to pupil transportation. This is intended to cover the average cost of transportation for districts located in the Twin Cities metropolitan area. The transportation sparsity formula funds the added cost of pupil transportation in more sparsely populated school districts, and is based on analysis of the relationship between per pupil cost and population density. A categorical nonpublic pupil transportation aid formula provides funding to school districts for transporting nonpublic school pupils, based on the district's per pupil cost for all regular to and from school transportation

To and from school transportation, and transportation between buildings during the day for pupils with a disability who require special transportation is funded through the special education aid formula. The added costs of transportation for desegregation purposes is funded through the integration revenue formula.

Mississippi

Based on the ADA for transported pupils and a density formula and rate table, the result is the lower the density, the higher the rate. The rate table provides greater amounts per pupil to districts with fewer pupils per square mile. This is an add-on program amount.

Missouri

Reimbursement is 75% of allowable costs of transporting eligible pupils. It is limited by each district's efficiency factor. In recent years the state appropriation for transportation aid has not increased resulting in a lower percentage of reimbursement to districts. This year, for example, transportation funding is approximately 28% of allowable costs from the school district's payment .

Funding for transportation was increased for FY15 by \$15 Million. It is statutorily allowable to fund up to 75% of the cost for transporting eligible students, however, ~~reductions in~~ appropriations for FY15 will provide funding to cover only an estimated 31% of the cost for transporting those students.

Montana

The state and county share in funding "on-schedule costs" that are based on bus routes and mileage contracts with parents. Additional funding is provided through fund balance re-appropriated, non-levy revenues and a local levy.

Nebraska

Transportation Allowance is the lesser of:

Actual transportation expenditures from the most recently available complete data year.

Calculated transportation expenditures based on regular route miles and mileage paid to parents.

Nevada

Transportation allowance is based on relative transportation costs among school districts on a per student basis after subtracting the statewide average amounts. After subtraction, districts with positive numbers receive that additional per student revenues while districts with negative numbers receive that per student deduction to their final basic support per student.

New Hampshire

See transportation component below for career and technical education students.

New Jersey

Districts receive transportation aid for students who are transported more than a specified distance between home and school (2 miles for students in preschool through grade 8, 2.5 miles for students in grades 9 through 12). A greater level of support is provided for special education students who have special transportation needs. In addition, children whose special education programs require transportation are provided transportation regardless of their distance from school.

For regular transportation needs, the fiscal year 2015 formula aid amounts equaled \$426.65 per transported student plus \$11.67 per mile the student was transported. The corresponding figures for students with special transportation needs were \$2,973.90 per student and \$5.67 per mile transported.

The SFRA requires the state to examine the funding for transportation, and to present new cost factors to the Legislature by way of the Educational Adequacy Report (due every three years).

New Mexico

Funded at 100% with categorical appropriation based on a transportation distribution formula to recognize the varied operating conditions and diversified factors throughout the state on an equitable basis. Thus, the safety of students is not compromised by local district funding priorities. Cost reports are required by statute and mid-year and end of year adjustments are made to fit actual need within the formula and appropriation.

New York

Transportation Aid is paid based on expenses for general operations, the purchase of buses and other equipment, and contracted transportation services. The maximum reimbursement for approved expenses is 90 percent and the minimum is 6.5 percent. Approved capital expenses for transportation are aided based on assumed amortization schedules whether or not the district actually issued debt. For example, for each bus purchased by the school district an assumed

amortization schedule is generated for aid purposes based on an approved cost (the principal), a statewide average interest rate and a term of five years.

North Carolina

Local districts provide transportation services. State funds fuel, mechanics, drivers' wages and bus replacement based on efficiency ratings and replacement schedules.

North Dakota

Funding for transportation is provided to a maximum of 90% of actual expenditures under a rate schedule that includes the number of miles transported, rides provided and the type of vehicle used. Where district transportation is not available, school districts may reimburse parents and then claim 50 cents per mile per day. Transportation payments are based on prior year statistics.

Ohio

Funding for transportation is incorporated in the district formula funding utilizing a hybrid approach in which two sets of calculations are done for each school district with the calculation that results in the higher funding being utilized. However, transportation funds cannot be used for general operating costs. The Ohio Department of Education calculates payment based on the average number of bus riders, as counted and reported during count week, and per annual mile expenditure in the previous year. The statutory provision for this aid program is found in ORC Section 3317.0212.

Oklahoma

The transportation portion of Oklahoma's state aid formula is based upon:
Average Daily Haul times a Per Capita amount times a Transportation Factor. The Transportation Factor has been the same for years at 1.39.

Oregon

State support for pupil transportation is one of the four components in the state's equalization program. As noted earlier, the rate of reimbursement to the school district for pupil transportation is 70%, 80% or 90% of approved costs.

Pennsylvania

Reimbursement for regular pupil transportation is determined by multiplying the cost of approved reimbursable pupil transportation by the district's aid ratio. Payments are also made for excessive cost to be determined by subtracting from approved costs the sum of the regular state reimbursement plus half mill times the district market valuation. In addition, payments are made to school districts for transportation of charter school students and nonpublic school students. Elementary students eligible for transportation reimbursement must reside at least 1.5 miles from their school and secondary students must reside two miles from their school. Students residing along a hazardous route, as certified by the Department of Transportation, are also eligible for reimbursement.

Payments are also made to intermediate units for the cost for transportation of pupils to and from classes and schools for exceptional children, and of eligible young children to and from early intervention programs.

Rhode Island

The formula includes categorical funding to offset the excess costs associated with transporting students to out of district non-public schools and within regional school districts. This fund requires the state to assume the costs of non-public out-of-district transportation for those districts participating in the statewide system and equally share the regional school district student transportation costs.

South Carolina

The state funds and monitors the entire transportation system. Local districts hire bus drivers subject to state certification. Salaries and training provided by the state.

South Dakota

Included in the state aid formula for regular and special education students.

Tennessee

The BEP uses a multiple linear regression formula calculated that uses an average of expenditures from the three previous BEP funding years focusing on the following four factors: students transported per ADM; special education students transported per ADM; miles driven per ADM; and whether the district is county, city, or special school district. The model estimates the average, statewide effects (coefficients) of these factors on transportation expenditures and multiplies those estimated effects by each LEA's respective factors to calculate the estimated cost to the district for providing past transportation services. The BEP then adjusts these amounts by an inflation measure to calculate the actual dollar amount of transportation spending generated for each LEA.

Texas

The transportation allotment is based on a linear-density formula, which is the average number of students traveling on regular bus routes each day divided by the approved route miles. Transportation funding is based on the cost to operate the regular transportation system and the linear density of that system. However, the allotment per mile cannot exceed the amounts set by appropriation, which have remained unchanged since 1984.

Transportation for special education students is based on the cost per mile for the previous year, not to exceed the legislated maximum. In 2014–2015, the maximum is \$1.08 per mile. Transportation for career and technical education students is based on the actual number of miles traveled and the travel rate per mile for extracurricular activities as determined by the school district board of trustees and approved by the agency. Private transportation, used for students in remote areas and determined on a case-by-case basis, is funded at the rate of \$0.25 per mile with a maximum annual amount of \$816 per student.

Utah

State aid for to-and-from school pupil transportation is calculated and distributed to school districts (charter schools do not participate in pupil transportation) based on an allowance for (1) an allowance per mile, (2) an allowance per minute. Currently the average cost per mile is \$1.16; the average cost per minute is \$0.64; and the total annual transportation cost is \$101,145,428.

The state funds about 66% or \$68,643,600 at this time.

Eighty percent of the total pupil transportation costs are for to-and-from school; 20% is for activity/field trips.

Vermont

Transportation is reimbursed as a categorical grant and covers about 44.3% of a district's cost to transport students to and from school. The percentage reimbursement declines a little each year as transportation costs rise faster than the growth in the reimbursement fund.

Virginia

The Commonwealth determines per student costs for regular, special arrangement, and exclusive schedule student transportation programs. Per student costs are based on a matrix through use of two variables: geographical density and division size, i.e., number of students, for each of the above programs. These costs are included in the Basic Aid account and are shared between state and local school divisions according to the school divisions' LCIs. Also, the state contributes to the bus replacement costs based on a twelve-year replacement cycle.

Washington

Each school district providing transportation to and from school is entitled to state student transportation funding based on a regression analysis providing the expected cost of operations given the district characteristics. The primary characteristics are the basic program student count, the special program student count, the number of destinations (schools) served, the average distance between bus stops and schools, and the district land area.

West Virginia

As discussed in the preceding section, districts are divided into four groups based on student population density, and additional funding is provided to the districts with the lower student population density ratios.

Wisconsin

State pupil transportation aids are a categorical aid and determined under the provisions of s. 121.58, Wis. Stats. The appropriation for reimbursement of transporting public and nonpublic school pupils is found in s. 20.255(2)(cr), Wis. Stats. School districts that furnish transportation to and from public and nonpublic schools are entitled to receive state aid at the following rates:

Distance in Miles	Regular Year	Summer School
Less Than 2 Miles (hazardous area)	\$15/pupil	--
2-5 miles	\$35/pupil	\$4/pupil
Over 5 up to 8	\$55/pupil	\$6/pupil

Over 8 up to 12	\$110/pupil	\$6/pupil
Over 12	\$275/pupil	\$6/pupil

Distances are measured from the pupil's residence to the school attended; following the shortest commonly traveled route. Half payment is made for pupils enrolled and transported less than 91 days (regular year) or 16 days (summer school). Pupil transportation aid is based on student ridership in the previous year. The 2010-11 appropriation for Transportation Aid is \$26.3 million.

Wyoming

The state reimburses 100% of a school district's pupil transportation costs.