

## HB 3014 A -A7 STAFF MEASURE SUMMARY

### House Committee On Revenue

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**Prepared By:** Dae Baek, Senior Economist

**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 4/26, 5/10

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#### WHAT THE MEASURE DOES:

Defines alternative transportation as a way of providing transportation for eligible students. Specifies conditions under which alternative transportation costs qualify for the purpose of distributing the State School Fund. Takes effect on July 1, 2024.

#### ISSUES DISCUSSED:

- Need for diversity and flexibility in providing transportation to schools
- Advantages of walking or biking to school and impact on attendance
- Safety issues when walking or biking to school
- Impact on bus driver workforce
- Conditions for approving alternative transportation plans

#### EFFECT OF AMENDMENT:

-A7 Prescribes that alternative transportation costs related to public transportation may be approved transportation costs only if no other transportation options, including approved alternative transportation options, are suitable and sufficient and a school district can demonstrate a specified workforce shortage.

#### BACKGROUND:

Each fiscal year, school districts are ranked by approved transportation costs per Average Daily Membership (ADM) from the highest to the lowest. The transportation grant to a school district is then 70 percent of approved costs if the district is ranked below the 80th percentile in the ranking. If a school district is ranked in or above the 80th percentile but below the 90th percentile, the grant is 80 percent of approved costs. For those districts ranked in or above the 90th percentile, the grant is 90 percent of approved costs.

ORS 327.033 lists approved transportation costs for payments from the State School Fund. OAR 581-023-0040 further refines such approved transportation costs.

This measure defines alternative transportation as a way of providing transportation for eligible students and specifies conditions under which alternative transportation costs are approved for a school district in distributing the State School Fund.

More specifically, the measure allows the State Board of Education to approve alternative transportation-related costs as approved transportation costs when (1) the projected approved transportation costs with alternative transportation are the same as or less than the school district's projected approved transportation costs without alternative transportation or (2) the school district demonstrates that any excess expenses of transportation costs over the projected approved conventional transportation costs as a result of providing alternative transportation will be paid with funds other than the transportation grant from the State School Fund.