

HB 3014 B STAFF MEASURE SUMMARY

Carrier: Rep. Nguyen H

House Committee On Revenue**Action Date:** 06/01/23**Action:** Do pass with amendments to the A-Eng bill and rescind subsequent referral to Ways and Means. (Printed B-Eng).**Vote:** 5-0-2-0**Yeas:** 5 - Marsh, Nathanson, Nguyen D, Reschke, Smith G**Exc:** 2 - Levy B, Walters**Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Prepared By:** Dae Baek, Senior Economist**Meeting Dates:** 4/26, 5/10, 5/11, 5/31, 6/1**WHAT THE MEASURE DOES:**

Defines alternative transportation as a way of providing transportation for eligible students. Defines active transportation and declares it a form of alternative transportation. Defines suitable and sufficient transportation in consideration of transportation grants. Modifies conditions under which requirement to provide transportation is waived. Specifies conditions under which alternative transportation costs qualify as approved transportation costs for the purpose of State School Fund distributions. Applies to approved transportation costs occurred on or after 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
- Lack of specificity in demonstrating a workforce shortage
- A potential transportation cost reduction with the adoption of alternative transportation

EFFECT OF AMENDMENT:

Replaces the measure.

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. Alternative transportation now includes newly defined active transportation.

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

This summary has not been adopted or officially endorsed by action of the committee.

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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. The measure also specifies that approved alternative transportation cost is capped at 5% of approved total transportation cost.