

# TRANSPORTATION SPARSITY

Minnesota's current transportation sparsity formula falls short of the needs of the state's school districts that a geographic area greater than 500 square miles.

Minnesota's Transportation Sparsity Revenue formula funds adds costs of providing transportation in districts with fewer than 200 pupil units per square mile. This is over and above the transportation funding all districts receive of \$250.94 per pupil unit (4.85% of formula allowance) from the basic formula. The transportation sparsity allowance gradually increases as population density decreases, reflecting the relationship between average transportation costs and population density.

## WHERE WE STAND

Minnesota's Transportation Sparsity Revenue formula works relatively well for sparsely populated school districts that are reasonably compact geographically. But Minnesota has several school districts over 500 square miles in size. In these districts, the sheer distance from each sparsely populated square mile to the school locations is not reflected in the current formula.

## WHAT'S NEXT?

An enhancement of the transportation sparsity formula for districts over 500 square miles is needed. It is recommended that it is studied as sliding scale for districts less than 500 square miles but larger than the median district geographic size.

Minnesota eliminated the cost reimbursement transportation funding system over 20 years ago and needs to make adjustments to adequately and equitably serve schools across the state. Many districts now have a "Transportation Cross Subsidy" similar to the "Special Education Cross Subsidy."

## KEY CONSIDERATIONS

- Should the Legislature request a study of transportation costs by MDE to ascertain whether \$250 per pupil unit is still a valid proxy for average transportation costs?
- What other factors increase transportation costs not accounted for in the transportation sparsity formula?
- What implications will early learning have on transportation costs, considering the guidelines and regulations for transporting children under the age of 5 that would need to be replaced with other tax revenue?

## DISTRICTS COVER 500 SQUARE MILES

The red outline below is the service area of Bemidji Area Schools. When superimposed on a map of the Twin Cities, the map of the Bemidji Area Schools stretches from Albertville to Rosemont, from Shakopee to Stillwater. The size of the service area of Richfield Public Schools is reflected in the black square for comparison.

