
FISCAL TOPICS

Fiscal Services Division

October 3, 2023



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Des Moines, Iowa 50319

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Transportation Equity Program — FY 2024

Iowa Code section [257.16C](#) establishes the Transportation Equity Program. The Program was created to provide additional funding to school districts for public school transportation costs that exceed a statewide adjusted average cost per student. The Program was created in 2018 Iowa Acts, chapter [1007](#) (School Finance — State School Foundation Program Modifications — Transportation Equity Program). The Program also created the Transportation Equity Fund (TEF). The TEF appropriation is a standing unlimited General Fund appropriation to the Department of Management (DOM) for the purpose of the Program.

Transportation Equity Program

The DOM is mandated in Iowa Code section 257.16C to determine an adjusted statewide average cost per student for providing transportation to public schools after deducting the costs for nonpublic school transportation. Public school transportation data from the Department of Education is used to establish a transportation cost per pupil for each district. The DOM is further required to establish a statewide adjusted transportation cost per student based upon amounts available in the TEF for providing aid to school districts with the highest transportation cost per pupil differential. The following visualization shows how payment calculations were determined for a sample district in FY 2024.

Statewide Calculations

Average Cost Per Pupil	\$	404.50
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District A Calculations

Certified Enrollment		676.2
Net Operating Costs	\$	469,337.53
Transportation Cost Per Pupil	\$	694.08
Differential Cost Per Pupil	\$	289.58

District A Transportation Cost Per Pupil: \$694.08
Statewide Average Transportation Cost Per Pupil: \$404.50

District A transportation cost per pupil is brought down to the adjusted statewide average:
Certified Enrollment x Differential
= **\$195,814 in aid from the TEF.**

Any district with a transportation cost per pupil below the adjusted statewide average did not receive aid from the TEF for FY 2024.

Totals may not add due to rounding.

If the available funds in the TEF exceed the amount necessary to buy down all districts to the statewide average, then school districts with transportation costs per pupil below the statewide average will receive transportation base funding payments on a per capita basis. Transportation base funding amounts are established in Iowa Code section 257.16C(4).

In FY 2024, \$30.3 million was appropriated to buy down 204 school districts to the statewide average cost per pupil of \$404.50. Additional funding was not available for transportation base funding payments for districts below the statewide average cost per pupil.

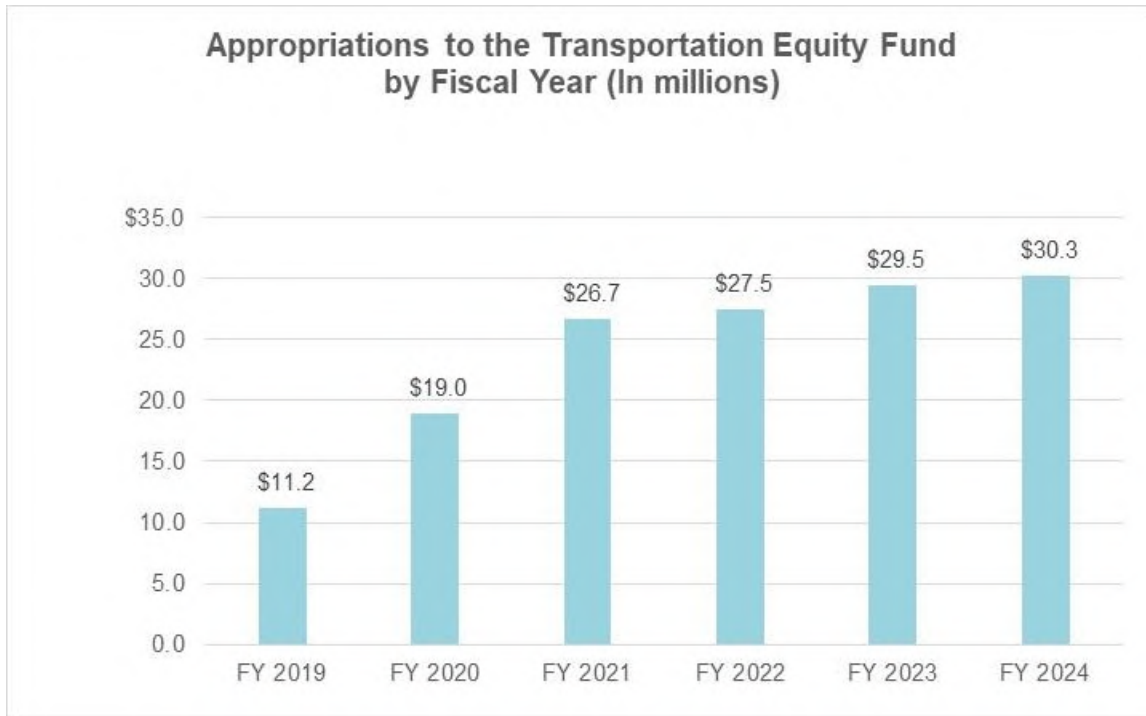
More Information

Department of Education: www.educateiowa.gov/pk-12/school-business-and-finance/financial-management/state-payment-information/state-payment

LSA Staff Contact: Ron Robinson (515.281.6256) ron.robinson@legis.iowa.gov

School District Aid from the Transportation Equity Fund

Payments to school districts receiving aid from the TEF are paid in the same manner and time as State aid foundation payments per Iowa Code section [257.16](#). The aid received under this Program by school districts is considered miscellaneous income and is deposited into a school district's general fund. The aid amount is not included in State foundation aid calculations for the district's cost per pupil. Payments from the TEF do not impact budget adjustments under Iowa Code section [257.14](#) or transportation assistance under Iowa Code section [257.31](#).



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