257.16C Transportation equity program — fund — appropriation.

1. A transportation equity program is established to provide prioritized additional funding for school districts with a transportation cost per pupil that exceeds the statewide adjusted transportation cost per pupil for the same budget year.

2. *a.* For the budget year beginning July 1, 2018, and each succeeding budget year, the department of management shall annually determine a statewide adjusted transportation cost per pupil that is not lower than the statewide average transportation cost per pupil. The statewide adjusted transportation cost per pupil shall be annually determined, by taking into account amounts appropriated to the transportation equity fund under subsection 3, for the purpose of providing transportation equity aid for those school districts with the highest transportation cost per pupil differential.

b. Each school district that satisfies the criteria of subsection 1 shall receive transportation equity aid in an amount equal to the school district's actual enrollment for the school year, excluding the shared-time enrollment for the school year, multiplied by the school district's transportation cost per pupil differential for the budget year.

c. For purposes of this section:

(1) "*Statewide average transportation cost per pupil*" means the total transportation cost for all school districts in the state used to calculate each school district's transportation cost per pupil under paragraph "*d*" divided by the total enrollment for all school districts used to calculate each school district's transportation cost per pupil under paragraph "*d*".

(2) "*Transportation cost per pupil differential*" means an amount equal to a school district's transportation cost per pupil minus the statewide adjusted transportation cost per pupil for the same budget year.

d. A school district's transportation cost per pupil shall be determined by dividing the school district's actual transportation cost for all children transported in all school buses for a school year pursuant to section 285.1, subsection 12, less the amount of transportation costs reimbursed under section 256.25A and the amount received for transporting nonpublic school pupils under section 285.1, by the district's actual enrollment for the school year, excluding the shared-time enrollment for the school year as defined in section 257.6.

3. *a.* A transportation equity fund is created as a separate and distinct fund in the state treasury under the control of the department of management. Moneys in the fund include revenues credited to the fund, appropriations made to the fund, and other moneys deposited in the fund. For each fiscal year beginning on or after July 1, 2018, there is appropriated all moneys in the fund to the department of management for purposes of making transportation equity aid payments under this section.

b. If the balance of the fund exceeds the amount necessary to make all transportation equity aid payments under subsection 2, moneys remaining in the fund shall be used for transportation base funding payments under subsection 4.

c. If the balance of the fund exceeds the amount necessary to make all transportation equity aid payments and all transportation base funding payments, moneys remaining in the fund at the end of a fiscal year, notwithstanding section 8.33, shall remain in the fund and shall be available for expenditure for the purposes of this section in subsequent fiscal years.

d. (1) For the fiscal year beginning July 1, 2019, there is appropriated from the general fund of the state to the department of management for deposit in the transportation equity fund the sum of nineteen million dollars, or so much thereof as is necessary, to be used for the purposes of this section.

(2) For the fiscal year beginning July 1, 2020, there is appropriated from the general fund of the state to the department of management for deposit in the transportation equity fund the sum of the following, or so much thereof as is necessary, to be used for the purposes of this section:

(a) The amount appropriated to the transportation equity fund under this paragraph for the immediately preceding fiscal year.

(b) The product of the amount determined under subparagraph division (a) multiplied by the categorical percent of growth under section 257.8, subsection 2, for the budget year beginning on the same date of the fiscal year for which the appropriation is made.

(c) Seven million two hundred fifty-three thousand eighty-eight dollars.

(3) For the fiscal year beginning July 1, 2021, there is appropriated from the general fund of the state to the department of management for deposit in the transportation equity fund an amount necessary to make all transportation equity aid payments under subsection 2, to be used for the purposes of this section.

(4) For each fiscal year beginning on or after July 1, 2022, there is appropriated from the general fund of the state to the department of management for deposit in the transportation equity fund the sum of the following, or so much thereof as is necessary, to be used for the purposes of this section:

(a) The amount appropriated to the transportation equity fund under this subparagraph for the immediately preceding fiscal year.

(b) The product of the amount determined under subparagraph division (a) multiplied by the categorical percent of growth under section 257.8, subsection 2, for the budget year beginning on the same date of the fiscal year for which the appropriation is made.

4. For budget years beginning on or after July 1, 2018, if funding is available as provided in subsection 3, paragraph *"b"*, each school district in the state shall receive a transportation base funding payment in an amount equal to the school district's enrollment used under subsection 2, paragraph *"d"*, multiplied by the lesser of the statewide average transportation cost per pupil or the school district's transportation cost per pupil for the budget year. If an amount appropriated for a budget year is insufficient to pay all transportation base funding payments, the department of management shall prorate such payment amounts.

5. *a.* The sum of the transportation equity aid payment and the transportation base funding payment paid to a school district for a budget year shall not exceed the school district's actual transportation cost used to calculate the school district's transportation cost per pupil under subsection 2, paragraph *"d"*, for the budget year.

b. Transportation equity aid payments and transportation base funding payments shall be paid at the same time and in the same manner as foundation aid is paid under section 257.16, and may be included in the monthly payment of state aid under section 257.16, subsection 2.

6. Transportation equity aid payments and transportation base funding payments received under this section are miscellaneous income and shall be deposited in the general fund of the school district. However, the transportation equity aid amount and the transportation base funding amount shall not be included in district cost. Transportation equity aid under this section shall not affect the receipt or amount of a budget adjustment received under section 257.14 or transportation assistance aid under section 257.31, subsection 17.

7. On or before December 1, 2020, and on or before December 1 every five years thereafter, the director of the department of education shall compile and review the data collected as a result of the transportation equity aid and transportation base funding payments provided under this section and shall prepare a report to the general assembly containing analysis of the aid and the payments' efficacy and recommendations for changes.

2018 Acts, ch 1007, §7, 9; 2019 Acts, ch 2, §4 – 6; 2020 Acts, ch 1002, §2 – 4; 2020 Acts, ch 1108, §7; 2021 Acts, ch 2, §4, 5, 7; 2021 Acts, ch 174, §14, 34, 38

Referred to in §257.8

Subsection 3, paragraph d, subparagraph (3) amended

Subsection 3, paragraph d, NEW subparagraph (4)