STARS
STUDENT TRANSPORTATION ALLOCATION REPORT SYSTEM
Description of the Operations Allocation Detail Report 1026A

The Student Transportation Allocation Reporting System (STARS) Allocation Operations Detail Report 1026A shows the calculations used to determine each school district's transportation operations allocation. This document provides a detailed explanation of the calculation process used in the STARS calculation. The primary legal description of the distribution calculation process is contained in Revised Code of Washington (RCW) 28A.160.180 and 28A.160.192, which are provided for reference at the end of this document.

Section A – Calculation of Expected Allocation

STARS uses a regression analysis to determine an estimate for the allocation necessary to fund the expected expenditures for each school district's transportation operations. The student counts, route data and other statistically significant factors from the prior school year are analyzed to determine statewide coefficients for each of the data elements or "allocation items". Data elements that are determined to not be statistically significant for two consecutive years are removed from the analysis. As a result, the former items "Roadway Miles" and "Midday Route" have been removed from the report.

The table in Section A shows each of the allocation items, the statewide coefficient for that data element and the calculated value resulting from multiplying the district's value for the allocation item by the statewide coefficient. Note that the land area and the basic program and special program student count items are each followed by "(Ln)" to indicate that these terms are converted to natural logarithms prior to being multiplied by the statewide coefficient. (Student counts are increased by one in order to ensure that all districts' values are non-zero, since the logarithm of zero is undefined.) The data used for student counts and route related categories consist of prorated values of the prior year spring and the current year fall and winter reports. Prorating is based on the number of months in each report period, with spring and winter reports weighted at 3/8's and the fall report weighted at 2/8's.

The sum of the calculated values is shown below the table and this number is then added to the statewide expected allocation constant value provided by the regression analysis. This sum is then converted from a natural logarithm into a dollar amount using the exponential function. Since current statute has placed the Local Characteristics Factor at zero, the multiplier is shown as 1 and the result is the Calculated Expected Allocation. Amounts shown in the table for the coefficient rate and the calculated values are rounded to five decimal places for display, but the full values returned from the regression analysis are used in the actual calculation.

Section B – Alternate Funding System Adjustments

This section provides details of any alternate funding system adjustments. RCW 28A.160.191 (also included at the end of this document) provides OSPI with the authority to determine alternate funding mechanisms for non-high, low ridership, districts in transportation cooperatives and Educational Service Districts (ESDs) providing transportation services. The alternate funding systems began with the 2014–15 school year. The alternate funding system process increases the funding amount for any district qualifying for inclusion in one of the alternate funding categories to the percentage funding exhibited by the median district. For the 2020-21

school year, the median district was funded at 62.49%. Those alternate funding system eligible districts whose STARS final allocation was less than 62.49% will show an increase in the appropriate line in Section B to bring the district's funding up to that percentage of the district's prior year expenditures (shown on Line D.2.).

Districts will qualify for only one adjustment under the alternate systems. For instance, a non-high district participating in a transportation cooperative and funded at 51.25% would have their funding adjustment show up in the non-high adjustment line and no adjustment in the transportation cooperative line. For ESDs, the alternate funding system adjustment is as an ESD providing transportation, regardless of their qualification in the other categories.

The "Other" line in the Alternate Funding System Adjustments is a placeholder and no funding is provided in the line for any district for the 2020-21 school year.

Section C – Other Adjustments
Other adjustments to the STARS allocation consist of reducing the allocation on a pro-rated basis for those districts using an approved alternate calendar, as needed. This adjustment is shown as the "Alt Calendar Modifier" and the result of the multiplication by the modifier is shown in the right column.

The car mileage reimbursement is calculated at the private vehicle reimbursement rate in effect on September 1 of the current school year. For the 2020-21 school year that rate is $0.575 per mile.

Section D – Calculation of Final STARS Allocation

For the 2020-21 school year, Prior Year Expenditures were the 2019-20 allocation less the 2018-19 carryover amounts. Indirects at the district's federal restricted rate are added to the district's Prior Year Expenditures and the result is the district's Adjusted Prior Year Expenditures. The Lesser of Adjusted Allocation or Adjusted Prior Year Expenditures shows the district's allocation prior to any legislative enhancements for salaries and benefits.

In February 2021, the allocation was recalculated based on Spring 2020, Fall 2020 and Winter 2021 data as is the usual practice. At that time, the STARS coefficients and the alternate funding system adjustment was recalculated.

The final result after the inclusion of the legislative salary and benefit adjustments is the district's Actual Allocation Amount, which will show up on the district's financial report TRN 1191, line
A.1. starting with the February 2021 apportionment.

Reference

RCW 28A.160.180 Student transportation allocation determination — Report.
Each district's annual student transportation allocation shall be determined by the superintendent of public instruction in the following manner:

   (1) The superintendent shall annually calculate the transportation allocation for those services provided for in RCW 28A.160.150. The allocation formula may be adjusted to include such additional differential factors as basic and special passenger counts as defined by the superintendent of public instruction, average distance to school, and number of locations served.

   (2) The allocation shall be based on a regression analysis of the number of basic and special students transported and as many other site characteristics that are identified as being statistically significant.

   (3) The transportation allocation for transporting students in district-owned passenger cars, as defined in RCW 46.04.382, pursuant to RCW 28A.160.010 for services provided for in RCW 28A.160.150 if a school district deems it advisable to use such vehicles after the school district board of directors has considered the safety of the students being transported as well as the economy of utilizing a district-owned passenger car in lieu of a school bus is the private vehicle reimbursement rate in effect on September 1st of each school year. Students transported in district-owned passenger cars must be included in the corresponding basic or special passenger counts.

   (4) Prior to June 1st of each year the superintendent shall submit to the office of financial management, and the education and fiscal committees of the legislature, a report outlining the methodology and rationale used in determining the statistical coefficients for each site characteristic used to determine the allocation for the following year.

RCW 28A.160.191 Student transportation allocation — Adequacy for certain districts — Adjustment.
The superintendent of public instruction shall ensure that the allocation formula results in adequate appropriation for low enrollment districts, nonhigh districts, districts involved in cooperative transportation agreements, and cooperative special transportation services operated by educational service districts. If necessary, the superintendent shall develop a separate process to adjust the allocation of the districts.

RCW 28A.160.192 Student transportation allocation — Distribution formula.
(1) The superintendent of public instruction shall phase-in the implementation of the distribution formula under this chapter for allocating state funds to school districts for the transportation of students to and from school. The phase-in shall begin no later than the 2011-2013 biennium and be fully implemented by the 2013-2015 biennium.

   (a) The formula must be developed and revised on an ongoing basis using the major cost factors in student transportation, including basic and special student loads, school district land area, average distance to school, roadway miles, and number of locations served. Factors must include all those site characteristics that are statistically significant after analysis of the data required by the revised reporting process.

   (b) The formula must allocate funds to school districts based on the average predicted costs of transporting students to and from school, using a regression analysis. Only factors that are statistically significant shall be used in the regression analysis. Employee compensation costs included in the allowable transportation expenditures used for the purpose of establishing each school district's independent variable in the regression analysis shall be limited to the base salary or hourly wage rates, fringe benefit rates, and applicable health care rates provided in the omnibus appropriations act.

(2) During the phase-in period, funding provided to school districts for student transportation operations shall be distributed on the following basis: (a) Annually, each school district shall receive the lesser of the previous school year's pupil transportation operations allocation, or the total of allowable pupil transportation expenditures identified on the previous school year's final expenditure report to the state plus district indirect expenses using the federal restricted indirect rate as calculated in the district annual financial report;

   (b) Annually, the amount identified in (a) of this subsection shall be adjusted for any budgeted increases provided in the omnibus appropriations act for salaries or fringe benefits;

   (c) Annually, any funds appropriated by the legislature in excess of the maintenance level funding amount for student transportation shall be distributed among school districts on a prorated basis using the difference between the amount identified in (a) adjusted by (b) of this subsection and the amount determined under the formula in RCW 28A.160.180; and

   (d) Allocations provided to recognize the cost of depreciation to districts contracting with private carriers for student transportation shall be deducted from the allowable transportation expenditures in (a) of this subsection.