

Transportation Funding Updates

2021-22 and 2022-2023

Topics

- Fuel Prices in the Current Year
- Impact of Fuel on 2022-2023
- Transportation Funding Allocations 2022-23

Current Year Fuel Pricing

Background

LEAs use around 26 million gallons of fuel per year for K-12 Transportation

Last budgeted amount was 2.10

Current Year Allotted expects \$2.30/gallon

Fuel not specifically funded separately; but it does impact budget significantly

Year	Diesel Avg. Price
2008-2009	1.92
2009-2010	2.16
2010-2011	2.78
2011-2012	3.17
2012-2013	3.21
2013-2014	3.13
2014-2015	2.25
2015-2016	1.39
2016-2017	1.63
2017-2018	2.08
2018-2019	2.13
2019-2020	1.64
2020-2021	1.71
21-22 Partial	2.69

Next Steps

- The first week of April DPI will begin accepting requests for additional fuel funding
- The requests will require invoices to document the excess costs
- Districts seeking additional funding must not be transferring funds out of PRC 056 via ABC transfer

Available Reserves

- \$4.7 million unbudgeted in PRC 056
- If requests exceed this amount, DPI Transportation will work with School Business to determine any available sources of additional funds
- Unfunded or partially unfunded requests will remain the district's responsibility

Fuel Cost Impacts 2022-2023

Predicting the Future

- Hinges on war, sanctions, and market perception
- Recent State Term Contract Pricing:
 - March 1: \$3.09
 - March 8: \$3.82
 - March 15: \$3.89
 - March 22: \$3.54
 - March 29: \$4.34
- Looks like it should come back down next week based on NY Harbor Pricing



New York Harbor Terminal Spot Pricing for ULSD Fuel

Next Steps

- Expansion/Continuation Budget Request
- Creation of a special School Transportation Fuel Reserve
 - Recognition that bad things happen and we should plan rather than react
 - Hurricane Katrina, Deepwater Horizon, Pipeline Explosion, Pipeline Cyberattack, War, Sanctions
 - To be used only when the primary allotment for K-12 school transportation is insufficient

Reserve Size Options

- Continuation Budget as it exists supports \$2.30/gallon
- Estimated costs based on spot-pricing and fuel usage across the districts

	This Week	Last Week Rounded	Pre-War Rounded
Diesel Price	\$4.35	\$3.50	\$3.00
Cost Differential from 2.30	\$2.05	\$1.20	\$0.70
Total Reserve	\$54,675,064.15	\$32,004,915.60	\$18,669,534.10

Transportation Allotment

2022-2023 Allotment Policy

Background

- Normal Methodology
 - Uses 2021-2022 transportation data
 - Fall Student Ridership
 - Fall Routes Data
 - Buses Utilized
 - Full year State and Local Expenditures
 - Modeling of 21-22 data determines 22-23 funding

Problem Beginning to Show

Ridership Change Analysis		Allotted ADM Analysis	
Ridership Change	18-19 to 21-22	ADM Change	ADM change 18-19 to 21-22
1st Qt	-30.8%	1st Qt	-6.4%
Median	-23.5%	Median	-3.7%
3rd Qt	-16.0%	3rd Qt	-1.1%
Avg	-22.5%	Avg	-4.2%
Overall	-21.3%	Overall	-2.3%
Numeric	(157,577)	Numeric	(32,881)
Number Above 0	3	Number Above 0	13

- Highly Variable
 - Ridership Standard Deviation 10.5%
- Percentage of ridership is down significantly

Next Steps

- Continue to evaluate the situation to determine the best funding distribution for available funds
- General Assembly Actions may influence
- Determine Allotment Policy for 2022-2023
- Existing tools, due to the extreme differences in 21-22, aren't helpful for district budgeting
 - Update based on policy choices

Questions?