

Student Transportation Base Grants

Provision in the Bill: Sets the inflation rate at 1% for student transportation grants to local school systems in fiscal 2011 and reduces the minimum annual inflation adjustment from 3% to 1%.

Agency: Maryland State Department of Education

Type of Action: Mandate relief

Fiscal	<i>(\$ in millions)</i>					
Impact:	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
GF Exp	\$0	(\$4.3)	(\$4.4)	(\$7.5)	(\$9.6)	(\$12.3)

State Effect: Mandated general fund expenditures for student transportation grants decrease by \$4.3 million in fiscal 2011 by limiting the inflationary increase in the formula to 1%. The proposed fiscal 2011 State budget includes a \$4.3 million reduction for student transportation contingent on legislation reducing the mandated amount. Future year expenditure decreases reflect the continued 1% floor on the inflation adjustment.

Local Effect: State student transportation grants to local school systems decrease by \$4.3 million in fiscal 2011. Future years likewise reflect the reduction in annual inflationary increases.

Program Description: The State provides grants to assist local school systems with the cost of transporting students to and from school. The grants are inflated annually with the increase in the Consumer Price Index for private transportation in the second preceding fiscal year, but increases may not be less than 3% or more than 8%.

In addition to the base transportation grants, the State provides school systems with another \$1,000 for each student with special transportation needs.

Recent History: Chapter 487 of 2009 specified that the inflation factor for student transportation grants will be 1% in fiscal 2012 only.

Location of Provision(s) in the Bill: Section 3 (pp. 9-10)

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