

# **LEGISLATIVE REPORT: TRANSPORTATION REIMBURSEMENT GUIDELINES**

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**Vermont Agency of Education**

**March 25, 2026**

# Framing of Report

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“Pursuant to Section 44 of Act 73, the Agency of Education must submit a written report, on clear and equitable guidelines for minimum transportation to be provided and covered by transportation reimbursement grant under 16 V.S.A. § 4016 as part of Vermont’s education transformation.”

- Preliminary report organized around:
  - current state;
  - input from partners in the field;
  - Brief literature review regarding how other states approach transportation funding
  - Key considerations for legislative decision-making
- Final recommendations and modeling would be based upon policy decisions regarding governance and foundation formula

# Legal Framework for Student Transportation in Vermont

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- **Key Points**

- Transportation is **discretionary but essential** for equitable access to education
- Governed by **state statutes (16 V.S.A.) and federal law**
- School boards may provide transportation based on:
  - Age, health, distance, road conditions
- Districts must:
  - Maintain a **public transportation policy**
  - Report **annual costs and data** to the state

# Funding, Special Populations, and Equity Protections

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- **Key Points**
- **State reimbursement (16 V.S.A. § 4016):**
  - ~50% of allowable transportation costs
  - Additional support for **extraordinary costs**
- **CTE transportation (16 V.S.A. § 1563):**
  - Per-mile reimbursement, adjusted annually
- **Students with disabilities (IDEA):**
  - Transportation is a **required related service**
  - Must be individualized and included in IEP
- **Homeless students (McKinney-Vento):**
  - Guaranteed transportation to **school of origin**
  - Shared responsibility across districts

# Current System Overview

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- 50% reimbursement of allowable transportation costs (up to total Ed Fund appropriation amount)
- Prorated when claims exceed available funds
- Approximately \$26M in statewide aid annually
- Median award is about \$450,000 (range is about \$100k to \$1.5M)
- All 52 SU/SD's apply for and receive funds

# Reimbursement for Transportation

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16 V.S.A. § 4016

- **Base reimbursement:** Districts/SUs receive 50% of allowable transportation costs, subject to a capped, inflation-adjusted appropriation with proration if oversubscribed.
- **Allowable costs (by rule):** Limited to home-to-school transportation for regular instruction, excluding non-classroom activities, as defined in State Board rule.
- **Extraordinary costs (by rule):** Separate funding for geographically or structurally driven transportation needs, defined and administered through State Board rule.

# VT State Board of Education – Rule 9300 Series: Transportation

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- **Allowable expenditures:** Defined as daily home-to-school transportation costs (one round trip), net of revenues, excluding extracurriculars and costs reimbursed elsewhere.
- **Capital treatment:** Bus depreciation is allowable (1/7 per year over seven years), including lease-to-own arrangements based on fair market value.
- **Extraordinary threshold:** Extraordinary costs must exceed a statewide threshold (96th percentile of spending as % of General State Support Grant (GSSG) and reflect unusual geographic or structural conditions (example: location of building, topographical features, tuitioned students out of district, condition of roads).
- **Application and award:** Districts apply through the Annual Statistical Report, reimbursement made in a subsequent fiscal year, subject to proration if needed. There is a two year look back for reimbursement, meaning that costs are incurred one year, reported the next, and reimbursed the following year (example: FY26 payments are reflective of FY24 expenses).

# Appropriation Summary: Transportation & Extraordinary Expenses

	FY2024	FY2025	FY2026	FY2027
<b>Appropriation</b>	23,520,000	25,524,073	26,115,792	26,925,382
<b>% Funded</b>	45.90%	46.16%	44.60%	
<b>Appropriation % Change</b>	7.96%	8.52%	2.32%	3.10%
<b>Reduced Statutory Total</b>	23,497,220	25,248,684	26,068,651	
<b>Extraordinary Transportation Total</b>	22,780	57,316	47,141	
<b>"Extraordinary Threshold %"</b>	5.94%	5.71%	5.18%	

# FY2026 Transportation Allocation

% Funded - 44.60%

% Extraordinary Threshold - 5.18%

					3150	3152
SUID	LEA & SU	PayID			Reduced Statutory Amount	Extraordinary Transportation
5001	Addison Northeast SD	U061	Mt. Abraham USD	01	392,272.00	-
5002	Addison Northwest SD	U054	Addison NW USD	02	316,419.00	-
5003	Addison Central SD	U055	Addison Central USD	03	673,854.00	-
5004	Addison-Rutland SU	U062	Slate Valley USD	04	483,491.00	-
5005	Southwest Vermont SU	SU005	Southwest Vermont SU	05	545,149.00	-
5006	Bennington-Rutland SU	SU006	Bennington-Rutland SU	06	604,239.00	-
5007	Colchester SD	T050	Colchester	07	627,783.00	-
5009	Caledonia Central SU	SU009	Caledonia Central SU	09	442,323.00	-
5010	Milton SD	T126	Milton	10	505,366.00	-
5011	St. Johnsbury SD	T179	St. Johnsbury	11	229,467.00	-
5012	Chittenden East SU	U401	Mt. Mansfield USD	12	881,623.00	-
5014	Champlain Valley SD	U056	Champlain Valley USD	14	1,570,660.00	-
5015	Burlington SD	T037	Burlington	15	368,780.00	-
5016	South Burlington SD	T191	South Burlington	16	664,002.00	-
5017	Winooski SD	T249	Winooski ID	17	224,297.00	-
5019	Essex North SU	SU019	Essex North SU	19	121,888.00	-
5020	Franklin Northeast SU	SU020	Franklin Northeast SU	20	646,102.00	-
5021	Franklin Northwest SU	U089	Franklin Northwest SU	21	763,296.00	-
5022	Franklin West SU	SU022	Franklin West SU	22	623,488.00	-
5023	Maple Run USD	U057	Maple Run USD	23	883,884.00	-
5024	Grand Isle SU	SU024	Grand Isle SU	24	242,115.00	-
5025	Lamoille North SU	SU025	Lamoille North SU	25	1,073,852.00	44,545.00
5026	Lamoille South SU	SU026	Lamoille South SU	26	522,868.00	-
5027	Orange East SU	SU027	Orange East SU	27	370,560.00	-
5028	Orange Southwest USD	U059	Orange Southwest USD	28	276,011.00	-
5030	White River Valley SU	SU030	White River Valley SU	30	569,011.00	-
5031	North Country SU	SU031	North Country SU	31	1,179,199.00	264.00
5032	Washington Central SU	U092	Washington Central SU	32	743,024.00	2,332.00
5033	Mill River SD	U052	Mill River USD	33	188,167.00	-
5034	Orleans Central SU	SU034	Orleans Central SU	34	430,682.00	-
5035	Orleans Southwest SU	SU035	Orleans Southwest SU	35	451,788.00	-
5036	Rutland Northeast SU	SU036	Rutland Northeast SU	36	550,823.00	-
5040	Rutland City SD	T173	Rutland City	40	573,201.00	-
5042	Harwood UUSD	U060	Harwood USD	42	639,745.00	-
5046	Windham Central SU	SU046	Windham Central SU	46	324,780.00	-
5047	Windham Northeast SU	SU047	Windham Northeast SU	47	403,354.00	-
5048	Windham Southeast SU	SU048	Windham Southeast SU	48	702,125.00	-
5049	Windham Southwest SU	SU049	Windham Southwest SU	49	118,228.00	-
5051	Windsor Central SU	SU051	Windsor Central SU	51	247,639.00	-
5052	Windsor Southeast SU	SU052	Windsor Southeast SU	52	365,043.00	-
5054	Hartford SD	T093	Hartford	54	400,299.00	-
5055	Dresden Interstate SD	T145	Norwich	55	123,612.00	-
5056	Springfield SD	T193	Springfield	56	195,511.00	-
5061	Barre SU	U097	Barre SU	61	728,618.00	-
5063	Two Rivers SU	SU063	Two Rivers SU	63	243,362.00	-
5064	Rivendell Interstate SD	U146	Rivendell Interstate USD	64	188,831.00	-
5065	Essex Westford SD	U051	Essex-Westford EC USD	65	861,265.00	-
5066	Greater Rutland County Supervisory Union	SU066	Greater Rutland County Superviso	66	463,149.00	-
5067	Kingdom East Supervisory District	U064	Kingdom East USD	67	468,694.00	-
5068	Central Vermont Supervisory Union	SU068	Central Vermont Supervisory Unio	68	426,018.00	-
5069	Montpelier-Roxbury Supervisory Union	U071	Montpelier-Roxbury USD	69	305,341.00	-
SU070	Lincoln SD	T112	Lincoln SD	79	123,353.00	-

<b>Total</b>	<b>26,068,651.00</b>	<b>47,141.00</b>
	-	-
		<b>Total State Appropriation</b>
		<b>26,115,792.00</b>

# Field Input: Key Challenges

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- Severe statewide bus driver shortages
- Rising and unpredictable costs (fuel, vendors, equipment)
- Rural geography increases time and cost of transportation
- Limited vendor competition drives higher prices

Key Takeaway: complexities of governance, issues of scale and sparsity, and labor shortages that appear at the center of so many conversations about the Vermont education system, hold true for transportation as well.

# Field Input: Equity & Access

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- Transportation is a barrier to attendance and participation
- Limits access to CTE and specialized programs
- Families rely on transportation across all grade levels
- **Key Takeaway:**  
Transportation is a foundational component of educational access and equity—ensuring students can attend school, participate in specialized opportunities, and overcome geographic barriers, particularly in rural and underserved communities.

# Field Input: Considerations and Recommendations

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- **Key Points**

- **Strong consensus (82%):** All students, all grades is the most equitable standard
- **Need does not decline with age**—families rely on transportation through high school
- **Must include funding, clear definitions, and flexible delivery models**

## **Key Takeaway:**

Universal transportation best supports equity—but only if it is adequately funded and designed for real-world conditions.

# National Context

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- **Key Points**

- States use different models: reimbursement, formulas, or capped funding → **inconsistent support**
- **Geography and density drive costs**—rural districts face higher, unavoidable expenses
- Rising costs (fuel, labor, equipment) are **outpacing funding formulas**
- When funding falls short, **local districts absorb the burden**

- **Key Takeaway**

Transportation is a **core access service**—policies must account for geography and real costs or risk widening inequities, especially in rural communities.

# Policy Considerations

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- Transportation costs will have direct implications for the final funding model, and decisions regarding the formation of larger districts are necessary to finalize reliable cost estimates.
- Key considerations
  - Align transportation with new governance structure under Act 73
  - Account for geography (rurality), workforce, and cost growth
  - Explore regional or statewide delivery models

# Opportunity to Modernize Transportation Through Governance Changes

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- **Key Points**

- Larger districts can **reduce duplication and improve efficiency**
- Opportunity to expand access (e.g., **1 mile elementary / 2 miles secondary**)
- Must account for **rural conditions and safety exceptions**
- Transportation policy should align with **school choice and district boundaries**

- **Key Takeaway:**

**Modernizing governance creates an opportunity to expand access and improve efficiency—but must reflect Vermont’s geography and student needs.**

# Funding, Workforce, and Implementation Are Critical

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- **Key Points**

- Expanded access requires **robust financial modeling and adequate funding**
- Must address **statewide driver shortages**
- Explore new models:
  - Statewide or regional systems
  - Updated funding approaches beyond current 50% reimbursement
- Align transportation with **new education funding formula (Act 73)**

- **Key Takeaway:**

**Universal or expanded transportation is only viable with aligned funding, workforce solutions, and system redesign.**

# Cost vs. Policy Tradeoffs

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- Expanding access (more students served) increases total system cost
- Rural geography creates unavoidable higher per-pupil transportation costs
- Workforce shortages limit how quickly services can expand
- Policy choices must balance equity, cost, and operational feasibility

# Recommendations & Areas for Legislative Inquiry

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- Model transportation costs under new district governance structures (Act 73)
- Evaluate options for increasing or restructuring state reimbursement
- Assess feasibility of expanded access (e.g., all grades, distance thresholds)
- Explore regional or statewide transportation service models
- Address workforce shortages (driver recruitment, CDL pipeline, incentives)
- Define clear statewide standards (distance, safety, hardship exemptions)
- Examine alignment with broader education funding reform

# Questions?