

Effects of Act 60 on Pupil Transportation Costs¹

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Under Act 60, any school district with an enrollment of fewer than 350 students was forced to either consolidate or be annexed into an existing district. A total of 106 school districts have been reorganized since 2003-2004 under this Act. Here, we consider the effects of forced consolidation on

transportation spending, and find that consolidation imposed under Act 60 has increased the financial burden of transportation costs and, in the process, has diverted money away from teaching and learning..

In 2003-2004, school districts impacted by Act 60 (either by being closed or by absorbing closed districts) spent about \$235 per pupil on transportation, slightly less than all other districts at \$241. In 2005-2006, the year following consolidation, the successor districts spent \$305 per pupil on transportation (up \$70 or 30%), compared with \$285 per pupil spent in districts not impacted by Act 60 (up \$44, or 18%).

While some increase in transportation costs is expected due to fuel costs and inflation, the rate of increase was two-thirds faster in the ACT 60-impacted districts than in other districts (30% vs. 18%).

And in case \$70 dollars per pupil doesn't sound like a lot of money, consider the impact it has on the level of dollars that make it into the classroom where it can impact teaching and learning.

In 2003-2004, the school districts that would later be impacted by Act 60 spent about \$17.50 on instruction for every \$1 spent on transportation, a slightly better ratio than all other districts (\$16.83 on instruction for every \$1 on transportation). In 2005-2006, school districts impacted by Act 60 were spending only \$15.30 on instruction (down by more than \$2) for every dollar spent on transportation. In all other Arkansas districts, spending on transportation relative to instruction did not change after Act 60.

¹ Data source: National Center for Education Statistics, Common Core of Data. www.nces.ed.gov

