Finds that: (1) The current student transportation funding formula is outdated and does not adequately address the costs incurred by school districts in transporting students; and

(2) An appropriate new formula based on reliable data from a uniform reporting system used by all districts, providing incentives for efficient use of state resources, and maintaining local school district control over operational decisions within the transportation program has been developed under a contract with the office of financial management.

Declares an intent to respond to the findings of the 2006 pupil transportation funding study by the joint legislative audit and review committee by providing additional payments to districts to mitigate funding discrepancies identified by the study, until such time as the new funding formula can be implemented in a thoughtful and deliberative manner no later than the 2011-12 school year.

Requires the superintendent of public instruction to: (1) 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;

- (2) Encourage efficient use of state resources by providing a linear programming process that compares school district transportation operations; and
- (3) Implement the new distribution formula for allocating state funds to school districts for transportation of students to and from school, beginning with the 2011-12 school year.