



# Transportation Aid

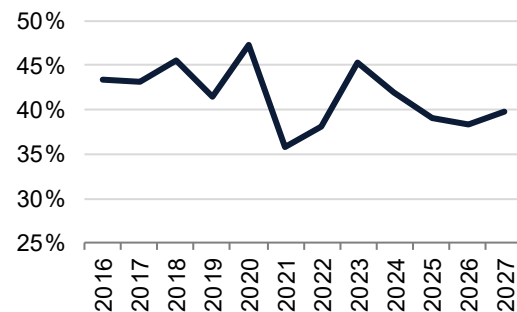
New York State offers reimbursement for significant portions of eligible spending that school districts use to support the transportation of students to and from school. This aid, known as “Transportation Aid,” is the fourth-largest State aid stream that New York City receives (after combining several different Pre-Kindergarten aids). New York City’s Transportation Aid allocation has grown significantly in recent years, reaching \$846 million in FY 2026.

To receive Transportation Aid, school districts submit claims to the State Education Department for allowable expenses in the previous year, and are reimbursed based on an aid ratio. The aid ratio is the highest of three separate possible aid ratio calculations, which are designed to take into account the distances students must travel measured by the sparsity of students, and depending on the aid ratio, student attendance, enrollment, and district wealth. State law requires school districts to provide busing to students who live more than 1.5 miles from their school (though many districts, including New York City, use closer requirements), and students with disabilities.

Districts must also provide transportation to such students in non-public schools, covering about 110,000 students in 2025 (non-public school enrollment in New York City has dropped by about 5 percent since 2019, compared to a 9 percent decline at City public schools). Over the past decade, New York City’s Transportation Aid allocation amounted to between 35 percent and 48 percent of the district’s total spending on pupil transportation in any given year, with the recent share decline at least partly attributable to increases in non-aidable expenses and changes to the City’s relative wealth ratio (see Figure 1).

**FIGURE 1**

Annual Transportation Aid as a Share of NYC Pupil Transportation Costs



Sources: NYC Department of Education; NYC Office of Management and Budget; OSC analysis

## Impact

While many districts buy and maintain their own fleet of buses, New York City’s student transportation system relies in large part on contracting with several privately-owned school bus companies. In addition, the City operates its own small bus fleet and provides transit passes to many students, allowing them to use the subway and City buses to get to and from school. In FY 2026, the City spent over \$2.2 billion on student transportation (an increase of 93.4 percent since FY 2016), 38.3 percent of which was covered by State aid. For that amount:

- The City contracted with 63 different bus companies operating 10,820 buses on more than 8,000 routes to and from schools each day;

- Provided busing services for nearly 147,000 students, including 115,423 traditional public- and charter-school students (12.2 percent of all public-school students), 13,255 four-year-olds and 18,295 non-public-school students;
- Provided nearly 542,000 subway cards (an aid-allowable expense) to students, including nearly 11,587 homeless students and 90,695 students in non-public schools, and covering 42.8 percent of public school students, including Pre-K students.