

## I. BACKGROUND

The function of school transportation services was transferred by Executive Order from the Department of Accounting and General Services (DAGS) to the Department of Education (DOE) on July 1, 2000. The primary mission of the school bus transportation program is to assist families to comply with the State's compulsory attendance law by contracting for school bus transportation services. The DOE's student transportation program is managed by the Student Transportation Services Branch (STSB) of the Office of School Facilities and Support Services (OSFSS).

## II. MANDATE

HRS 302A-406 states in part that "The department may provide suitable transportation to and from school and for education field trips for all children in grades kindergarten to twelve and in special education classes. "

Currently, the Department of Education furnishes the following school transportation services:

1. Fixed route bus service for general education students in grades K-12 from home to school and back home again during normal school hours.
2. Curb to curb bus service mandated by the student Individualized Education Program (IEP) for qualifying special education students in grade pre-K up to age 21 from home to school and back home again during normal school hours and during Extended School Year (ESY) periods.
3. Intraday bus service mandated by the student IEP for qualifying special education students who require related off-campus services before, during and after the normal school day.
4. Transportation benefits mandated by the McKinney-Vento Homeless Assistance Act (MVA) to qualifying students who are homeless.
5. Transportation benefits mandated by the No Child Left Behind Act (NCLB) to qualifying students who elect to attend a non-failing school outside the home school area.
6. Fixed route bus service for general education students who participate in remedial instructional programs financed by the Extended Learning Opportunities Program grant.

Transportation for school field trips and athletic events is arranged and paid for by individual schools and is not the responsibility of the STSB-OSFSS.

Chapter 8-27 ("Transportation of Students"), Hawaii Administrative Rules, sets forth procedures for establishing the student bus fare. Changes in the bus fare must be approved by the Board of Education. The following categories of students receive fare-free bus service:

- a. Students receiving curb-to-curb and intra-day transportation services mandated by their IEPs.
- b. Homeless students.
- c. Foster children.
- d. Students whose families receive welfare assistance.
- e. Students whose families meet the criteria for free school meals.
- f. The fourth or higher student in a family with three older fare-paying siblings.

- g. Students transferred involuntarily to another school (e.g., because of school consolidation).
- h. Students who transfer voluntarily to another school because their neighborhood school is in NCLB status other than "in good standing".

General education bus service is available to qualified students in grades K-5 but only if they live a mile or more from school and to qualified students in grades 6-12 but only if they live 1.5 miles or more from school. Exceptions to this minimum qualifying distance rule may be made on a space-available basis.

NOTE: The DOE does not provide general education bus service in Honolulu District. General education students in Honolulu District who would otherwise qualify for FREE school bus transportation receive a free monthly City youth bus pass instead, paid for by the DOE.

### III. DESCRIPTION OF SCHOOL BUS TRANSPORTATION CONTRACTS

Generally, DOE school bus transportation contracts consist of a one-time six (6) year term with two optional two-year extensions by mutual agreement, for a potential term life of ten years. A small handful of contracts, however, consist of a one-time 10 year term with no extensions. All contracts include annual price adjustments for 1) Inflation (based on the Consumer Price Index), 2) Wage Cost increases (when applicable) and 3) Fuel Cost increases and decreases (when applicable). All contracts also include provisions for fixed cost compensation for buses that are idled due to consolidation or discontinuation.

### IV. RIDERSHIP STATISTICS

The following tables illustrate home-school-home ridership for the 2010-2011 school year:

#### REGULAR EDUCATION

<u>District</u>	<u>Elementary</u>	<u>Middle Sch</u>	<u>High Sch</u>	<u>Combination</u>	<u>Charter</u>	<u>Total</u>
Honolulu*	133	115	803	0	0	1051
Leeward Oahu	2210	2060	2055	236	0	6561
Central Oahu	2485	2801	1986	138	0	7410
Windward Oahu	522	475	443	544	0	1984
Kauai	908	1349	1388	0	57	3702
Maui	2778	1948	2042	200	202	7170
East Hawaii	1965	707	741	1009	46	4468
<u>West Hawaii</u>	<u>1654</u>	<u>890</u>	<u>1259</u>	<u>661</u>	<u>130</u>	<u>4594</u>
Total	12655	10345	10717	2788	435	36940

In comparison to 2009-2010: 39182  
2008-2009: 39578

#### SPECIAL EDUCATION

<u>District</u>	<u>Elementary</u>	<u>Middle Sch</u>	<u>High Sch</u>	<u>Total</u>
Honolulu	297	109	172	578
Leeward Oahu	523	67	194	784
Central Oahu	506	166	108	780
Windward Oahu	283	12	57	352
Kauai	115	27	57	199
Maui	230	52	74	356
East Hawaii	356	110	141	607
<u>West Hawaii</u>	<u>175</u>	<u>29</u>	<u>66</u>	<u>270</u>
Total	2485	572	869	3926

## V. PROGRAM COST

The following table illustrates the estimated school bus program operating costs for FY 2010-2011 and FY 2011-2012:

<u>Fiscal Year</u>	<u>Regular Education</u>	<u>Special Education</u>	<u>Operations</u>	<u>Total</u>
2010-2011	\$ 38,955,117	\$ 31,479,790	\$ 1,637,850	\$ 72,070,757
2011-2012	\$ 40,791,072	\$ 32,201,383	\$ 1,432,600	\$ 74,425,055

## VI. FUNDING SOURCES

The following table illustrates the funding sources for the school bus transportation program:

<u>Prog ID</u>	<u>Description</u>	<u>FY 2010-11 Allocation</u>	<u>FY 2011-12 Allocation</u>
19097	General Fund	\$ 58,901,440	\$ 49,279,193
19051	Department of Defense	\$ 1,528,906	unknown
19997	Federal Impact Aid	\$ 7,507,434	unknown
32600	Special Fund	\$ 1,817,133	unknown
33009	Misc – Business	\$ 91,000	unknown
<u>XXXXX</u>	<u>Revenue/Reimbursements</u>	<u>\$ 2,358,777*</u>	<u>unknown</u>
	Total:	\$ 72,204,690	unknown

\*School Bus Fare - \$256,867; Charter Schools - \$470,000, District Reimbursements (SPED) - \$1,580,000; Other - \$51,910

As of this report, the Student Transportation Services Branch is poised to return approximately \$1,000,000 to the DOE in FY 2011 realized savings. This cost saving was primarily attributed to fewer service days than projected which was created by unanticipated school calendar adjustments.

## VII. 5-YEAR HISTORY OF BUS CONTRACT COSTS

The following table illustrates the growing per-day cost of contracted school bussing services over the past five years. The table also illustrates 1) the total number of new contracts that were activated in that year, 2) the portion of those new contracts that had to be replaced due to expiring at the end of its full 10-year contract term, and 3) the portion of contracts that had to be replaced because the Contractor chose to not extend the agreement beyond its initial 6-year term.

<u>School Year</u>	<u>Cost of Contracted Bussing Services/ Day</u>	<u>No. of New Contracts</u>	<u>Expired at 10 years</u>	<u>Contracts Not Extended</u>
2006-2007	\$ 184,948.77	36	6	30
2007-2008	\$ 236,645.97	18	1	17
2008-2009	\$ 287,879.22	20	0	20
2009-2010	\$ 336,118.12	2	0	2
<u>2010-2011</u>	<u>\$ 339,336.93</u>	<u>22</u>	<u>9</u>	<u>13</u>
Totals:		98	16	82

## VIII. SAMPLE OF CONTRACT COST GROWTH OVER A 6-YEAR PERIOD

The following table illustrates the per-day cost growth of a typical multi-year school bus contract pursuant to CPI, Wage Cost and Fuel Cost Adjustments:

<u>Contract CO-50067</u>	<u>Start: July 1, 2005</u>	<u>Expires: June 30, 2011</u>	<u>No. of Buses: 11</u>		
<u>05-06</u>	<u>06-07</u>	<u>07-8</u>	<u>08-09</u>	<u>09-10</u>	<u>10-11</u>
\$ 2,970.00	\$ 3,181.28	\$ 3,374.57	\$ 3,526.72	\$ 3,633.27	\$ 3,645.31
<i>Increase of:</i>	\$ 211.28	\$ 193.29	\$ 152.15	\$ 106.55	\$ 12.04
<i>Percentile:</i>	7.1%	6.1%	4.5%	3.0%	0.3%
<i>Adjustment Type:</i>	CPI & Wage	CPI & Wage	CPI & Wage	CPI & Wage	CPI only

*Fuel cost adjustments (when applicable) are computed separately from CPI and wage adjustments, and is invoiced as a separate line item expense. There were no fuel cost adjustments in 05 through 08. There was a small adjustment made on 08-09. The 09-10 adjustment is pending.*

## IX. COST CUTTING MEASURES

The STSB-OSFSS has taken the following cost cutting measures over the past two years:

1. Increased the student bus fare from \$.35 per ride to \$.75 per ride effective January 1, 2010.
2. Increased the minimum qualifying distance for students in Grades 6-12 from 1.0 mile to 1.5 miles effective January 1, 2010.
3. Discontinued ten (10) high school bus routes on Oahu in lieu of city bussing services effective February 22, 2010.
4. Consolidated twenty four (24) school bus routes statewide due to low passenger rider counts.

The total cost savings relevant to the above-mentioned discontinued and consolidated school bus routes during the 2010-2011 fiscal year was \$1,115,336.00.