



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

OFFICE OF THE SUPERINTENDENT

July 5, 2011

TO: The Honorable Wesley Lo, Chairperson
Committee on Finance and Infrastructure
Board of Education

FROM: Kathryn S. Matayoshi, Superintendent

SUBJECT: School Bus Fares

1. RECOMMENDATION

It is recommended that school bus fares be increased as follows:

	Current	Recommended
One-way	\$0.75	\$1.25
Quarterly pass	\$60.00	\$72.00
Annual pass	\$225.00	\$270.00

One-way coupons are sold in sheets of 10.

2. RECOMMENDED EFFECTIVE DATE

Upon approval.

3. RECOMMENDED COMPLIANCE DATE (if different from the effective date)

Same.

4. DISCUSSION

a. Conditions leading to the recommendation

The current bus fare of \$0.75 one-way became effective in January 2010. The previous fare was \$0.35 one way, which became effective in January 2004. The one way youth fare on TheBus, operated by Oahu Transit Services, Inc. on Oahu, increased from \$1.00 to \$1.25 on July 1, 2010. Public school

students in Honolulu and in several other areas on Oahu where the Department does not provide school bus service pay \$1.25 to ride TheBus, compared to \$0.75 for students elsewhere on Oahu and on the neighbor islands who ride a school bus.

The price for a monthly youth pass on TheBus increased from \$25 to \$30 effective July 1, 2010. The Department currently sells a quarterly pass for the school bus for \$60, and an annual pass for \$225. A student living in Honolulu and riding TheBus to school using a monthly bus pass pays approximately \$300 per year to ride TheBus.

The Department discontinued certain school bus routes for high school students on Oahu in the spring of 2010. Students who were involuntarily shifted from school buses to city buses currently pay higher fares than students who continue to ride school buses.

The current annual cost to operate the regular school bus per student rider is approximately \$1,100 or about \$3 per student each way.

b. Previous action of the Board on the same or similar matter

The Board most recently increased the bus fare from \$0.35 one way to \$0.75 cents one way and the quarterly and annual passes from \$31.50 and \$119.70 to \$60 and \$225, respectively, effective in January 2010.

c. Other policies affected

None.

d. Arguments in support of the recommendation

Increasing the bus fare will reduce the general funds needed to subsidize student transportation, allowing the money saved to be used for other educational purposes. Students eligible for free meals will continue to receive a free bus pass. The fourth or higher number of students in a family whose other members pay for the bus will continue to receive a free bus pass.

e. Arguments against the recommendation

Increasing the bus fare will cost parents who choose to continue having their children ride the school bus \$45 to \$48 more per child per year. Increasing the bus fare will likely reduce the number of fare-paying riders, as parents and students choose other modes of transportation. To the extent that more students drive or are driven to school, morning traffic congestion generally will increase, and specifically there will be more congestion at and around schools at morning drop-off and afternoon pick-up times.

f. Findings and conclusions of the Board committee

To be determined.

g. Other agencies or departments of the State of Hawaii involved in the action

None.

h. Possible reaction of the public, professional organizations, unions, DOE staff and/or others to the recommendations

As noted above, some will favor the recommendation because it will release general funds for other educational purposes, others will oppose the recommendation because it will cost more for parents who pay for their children to ride the school bus and will result in increased traffic.

h. Educational implication

Higher fares will enable more general funds to be spent on other educational needs. It is possible that higher fares may induce some high school students to drop out of school.

i. Personnel implications

None.

j. Facilities implications

None.

k. Financial implications

Assuming a 5% decrease in paying ridership, the increased fare will increase revenues by approximately \$800,000 on an annual basis. The reduction in the number of riders will enable some school bus routes to be consolidated, which will reduce costs, but the magnitude is not determinable at this time.

5. OTHER SUPPLEMENTARY RECOMMENDATIONS

None.

KSM:RGM:ck

c: The Honorable Donald G. Horner, Chairperson, Board of Education
Office of School Facilities and Support Services