

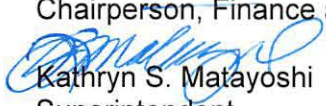


STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

OFFICE OF THE SUPERINTENDENT

September 15, 2015

TO: The Honorable Grant Chun
Chairperson, Finance and Infrastructure Committee

FROM: 
Kathryn S. Matayoshi
Superintendent

SUBJECT: **Student Transportation Audit Results (2012-present)**

1 DESCRIPTION

Presentation on the Progress and On-Going Efforts of the Get On Board Initiative

2 UPDATE OR PRESENTATION

Presentation to include Year End summary of School Year (SY) 2014-2015; review of Office of the Auditor follow-up report; results of the Big Island RFP; summary of SY 2015-2016 start up; report on strategic plans on future Get on Board objectives.

KSM:cs
Attachment

c: Office of School Facilities and Support Services

Student Transportation Reform Plan Update

Summary of the Progress and On-Going Efforts of the Get On Board Initiative



September 15, 2015

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Items for Review

- 2014-15 year end results summary
- Review of Office of the Auditor follow-up report
- Results of the Big Island RFP
- School start summary
- STSB strategic plan

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2014-15 O'ahu Summary of Results

- Overall savings of approximately \$7.0 million
 - Key drivers of savings are lower unit rates and fewer units
 - In 2014 there were 342 buses in use on O'ahu in 2015 there were 305 buses planned for and 297 in use
- KPI monitoring and contract management practices in place throughout the entire year
- STSB generated invoicing of services received

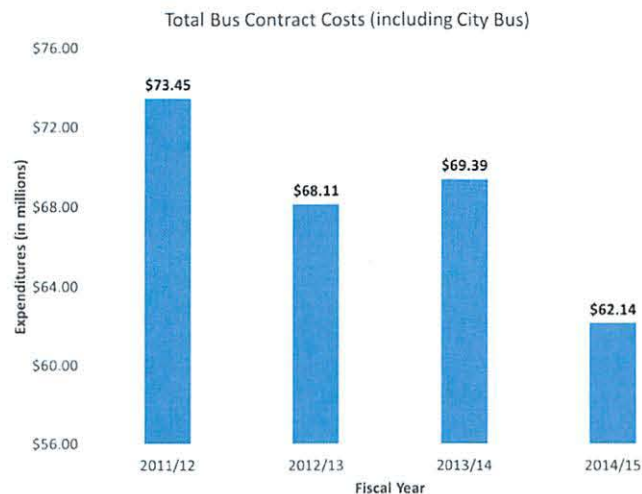
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2014-15 Comparative Expenditure Summary



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Fuel Price Anomaly on O'ahu

- Changes to diesel fuel prices nationwide have not been reflected on O'ahu
- Fuel prices are tracked 4 times monthly
 - Diesel prices were roughly comparable between Honolulu, Hilo and Wailuku until about January of 2015; Starting in January 2015 prices dropped in Hilo and Wailuku but not Honolulu
 - Diesel prices on the mainland down approximately \$1.00 on average; Down approximately \$0.30 on O'ahu
 - Gasoline costs are down approximately \$1.00 statewide
- The impact has been relatively limited to date
 - STSB is monitoring elasticity of pricing to identify any upside pricing risks that will require early budget preparations

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Office of the Auditor Follow-Up Report

- Appreciative of the recognition of progress
- Phasing of the reform effort implementation provides important context for recommendations deemed in progress

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Big Island RFP

- Released in Sept 2014 to allow ample time for responses
- Excluded Maui and Kauai per cost/benefit analysis
- Process was similar to that used on O'ahu
 - Requirements and penalties clauses adjusted as a result of 2014 school start
- Requirements also customized to reflect unique operating conditions of Hawai'i
 - Lava flow considerations
 - Requirements for video cameras
 - Contract term lengthened compared to O'ahu
- Awareness of field/charter trip needs resulted in less aggressive unit reductions as a result of O'ahu experience

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Results of the Big Island RFP

	Current Weighted Average Rate	Established Rate
Regular education buses	\$533.77	\$447.73
Special needs buses	\$576.34	\$552.60

- Changes in the rate structure are expected to result in approximately \$2 million of savings
 - Savings are recurring due to reduction in both rate and the rate of growth

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Elements of an effective school start

- Began preparations early especially for the Big Island transition
- Utilized a combination of media and approaches to inform stakeholders
- Increased the outreach to the contractor community to ensure they understand the goals and objectives of the reform effort
- Conducted regular readiness assessments

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School start summary

- Very limited service disruptions
- Call center shut down one week early due to significant reduction in volume
- Previous issues associated with driver shortages were remedied due to greater lead time in preparations
- Coordination of schools, contractors, and STSB

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On-Going Assessments of Changing Conditions

- School bell schedule changes in preparation for SY15-16, particularly at secondary schools, necessitated revisions for many bus route plans very late in the route development process (May)
- Expect continuing bell schedule changes next year (16/17) as step-up in instructional hours from 990 to 1080 goes into effect
- Camera rollout being considered for O'ahu beginning with pilot on HSDB buses

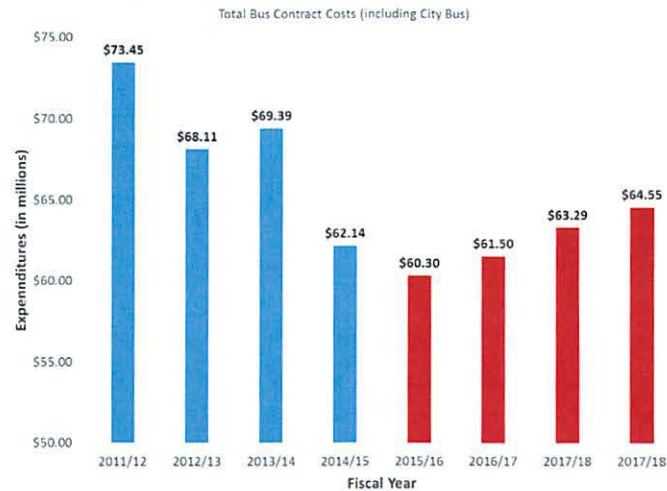


STSB Strategic Plan

- Transition all operations to STSB staff by 2018
- Significant focus on capacity building within DOE staff
- Continue support for RFP process on Maui and Kauai starting in 2017
- Continued expansion of performance management and reporting program to enhance transparency and accountability



Historic and projected expenditure summary



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Mahalo

- Questions?



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