




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

OFFICE OF THE SUPERINTENDENT

June 19, 2012

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

FROM:  Kathryn S. Matayoshi, Superintendent

SUBJECT: Student Transportation Program for FY 2012-13

1. RECOMMENDATION

It is recommended that the Board approve the operation of general education student transportation services in FY 2012-13 that are projected to cost approximately \$10 million more than the \$25 million appropriated by the 2012 legislature, with the deficit to be covered by transfers from U.S. Department of Education impact aid, Department of Defense supplement to impact aid, and restrictions on general fund expenditures other than in EDN 100 programs, with the exact amounts from each source to be determined.

It is further recommended that the Board approve the discontinuance of certain general education school bus routes at specific locations as shown on Exhibit A attached. The school bus routes that will continue to operate are shown on Exhibit B attached.

2. RECOMMENDED EFFECTIVE DATE

Upon approval

3. RECOMMENDED COMPLIANCE DATE

Upon approval

4. DISCUSSION

a. Conditions leading to the recommendation

The Board requested a general fund appropriation increase of \$42 million to continue the general education student transportation program at its FY 2011-12 level. Approximately \$29 million had been appropriated by the 2011 legislature for FY 2012-13 curb-to-curb transportation services for students with special needs, but no funds had been appropriated for general education transportation services. The

approximately \$29 million appropriation for curb-to-curb transportation services for students with special needs for FY 2012-13 was not revised by the 2012 legislature, but the \$0 appropriation for general education transportation services was increased to \$25 million by the 2012 legislature, as requested in the supplemental executive budget submitted to the 2012 legislature by the governor.

Fare revenues offset most of the non-contract costs of operating the student transportation program. These non-contract costs include the cost of the Department of Education's student transportation services branch staff and staff-related expenses, the cost of purchasing City bus passes for eligible students in lieu of providing them free school bus service in urban Honolulu, and payments made to schools for processing applications from students for transportation services and for issuing bus passes.

The reduction in regular bus service and the consolidation of lightly used routes will save approximately \$9 million, reducing the projected contract cost from \$42 million to \$33 million. Against that savings of approximately \$9 million, the department will incur approximately \$1.2 million in bus contract termination costs, will have reduced fare revenue of approximately \$0.3 million because of fewer riders, and will incur \$0.4 million in additional City and neighbor island county (except Hawaii) bus passes for students eligible for school for both free school meals and free school bus transportation.

The proposed plan for FY 2012-13 will eliminate the need for 109 buses (21%) of the 513 that operated this past school year, of which 47 are the result of route consolidations with no loss of service, but 62 of which will result in discontinued service to an estimated 3,849 students. These 3,849 students represent approximately 9% of our total student general education riders and approximately 2% of our total student enrollment.

In summary:

Projected contract costs	\$ 33.2 million
Projected net other operating costs	0.1 million
Projected contract termination costs	1.2 million
Projected revenue loss	0.3 million
Projected increase in City/county bus pass cost	<u>0.4 million</u>
	\$ 35.2 million
Appropriation	<u>25.0 million</u>
Deficit	\$ 10.2 million

The criteria used to determine which routes to cancel and which to continue, either unchanged or consolidated with other routes, were the school district; the school attendance area; the distance the child lives from the school; the availability of public carriers or other means of transportation; the frequency, regularity, and availability of public transportation; the grade level, and other conditions and circumstances unique or peculiar to a county or area.

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

The Board regularly evaluates tradeoffs when resources are insufficient to do everything that may be desired.

c. Other policies affected

None.

d. Arguments in support of the recommendation

While there is no perfect or ideal solution to responding to a projected deficit in student transportation operations, the recommendation strikes a balance between further reductions in service and further reductions in other department programs.

e. Arguments against the recommendation

Reducing student transportation services will likely increase student tardiness and absenteeism, will increase traffic congestion, may increase air pollution depending on how many of the students who formerly took the school bus to school instead ride in personal vehicles, and puts students at greater risk for traffic accidents. It is unlikely that public transportation, particularly on the neighbor islands, will be able to accommodate all students who currently ride the school bus but whose school bus service will be discontinued.

Diverting funds to cover the student transportation deficit will reduce the funds available to other programs or initiatives. The programs and initiatives that will be affected have not been identified.

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

This recommendation is likely to be opposed by those who believe the negative consequences of reduced student transportation services warrants diverting funds from other programs to mitigate the lack of funds appropriated for student transportation.

i. Educational implications

See above: to the extent student tardiness to school and absenteeism from school increases because school bus service is not available, student achievement may be adversely affected. However, the funds to cover the student transportation deficit will come from other programs and initiatives, and until these are identified, it is not possible to determine whether the educational implication of transferring funds from other programs to student transportation would have greater or lesser educational implications than reducing school bus services.

j. Personnel implications

Office staff may experience an increase in workload as a result of higher levels of student tardiness and absences. Teachers may be required to exert additional effort to keep all students current.

k. Facilities implications

Congestion at the student drop-off and pick-up areas is likely to increase at those schools whose school bus service would be reduced or eliminated.

l. Financial implications

Discussed above.

5. OTHER SUPPLEMENTARY RECOMMENDATIONS

KSM:RGM:ck

Attachments:

- Exhibit A – Bus Services to be Discontinued
- Exhibit B – Bus Services to be Continued

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