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The Administration began exploring full district-operated student transportation following the 2010 contract award.

#### **April 2010, in a Report to the School Committee:**

The Administration conducted a feasibility analysis for providing all mid-size vehicles on an in-house basis. Currently, the Worcester Public Schools operates 37 (or 57%) of the 64 mid-size special education vehicles. The financial analysis included a review of all staffing, facility and fuel needs. However, after a review of the cost of providing the services in-house in comparison with the final bid results, the Administration recommends that the current structure of both contracted service and in-house service remain for the next five years. However, this structure should be reevaluated in 2015 for consideration.

#### **FY16 Budget Book (page 14)**

⊕ **Student Transportation:** The Administration will explore the feasibility of directly providing all in-district student transportation services beginning in 2020. The analysis and recommendation will be forwarded to the School Committee in advance of the next student transportation contract period.

Further, the current capital equipment budget funding level is insufficient to provide a reliable replacement cycle for special education buses. With 35 buses and 1-3 vehicle replacement funding per year, the Administration will need to explore the lease of vehicles through the operating budget in the near future.

#### **FY17 Budget Book (page 15)**

⊕ **Student Transportation:** The Administration will explore the feasibility of directly providing all in-district student transportation services beginning in 2020. The analysis and recommendation will be forwarded to the School Committee in advance of the next student transportation contract period.

Further, the current capital equipment budget funding level is insufficient to provide a reliable replacement cycle for special education buses. With 35 buses and 1-3 vehicle replacement funding per year, the Administration will need to explore the lease of vehicles through the operating budget in the near future.

## FY18 Budget Book (page 16)

### Executive Summary

- ⊕ **Student Transportation:** The Administration continues to explore the feasibility of directly providing all or expanded in-district student transportation services beginning in 2018. The analysis and recommendation will be forwarded to the School Committee in advance of any recommendation for change in the level of service provided by contracted services.

## FY19 Budget Book (page 17)

### Executive Summary

The Administration is working on the following areas for future opportunities for budget stabilization or budget savings:

#### Executive Summary Areas of Budget Study for Savings

- ⊕ **Student Transportation:** The Administration will pilot in-district student home-to-school and athletic transportation services beginning in the 2018-2019 school year. On-going analysis exploring the feasibility of directly providing all or further expanded services will occur through the end of 2018 with a recommendation provided to the School Committee well in advance of the end of current contract for transportation services at the end of FY20.

## Service Performance

Leading to this Administrative review of district-operated transportation, in addition to the high cost of student transportation, there have been detailed numerous other contractual compliance issues during this current contract period. Non-working cameras, shortage of drivers, inability to provide both home-to-school and athletic transportation (without route consolidation), non-functioning block heaters, and late buses have been issues that the district has dealt with during the past four years. The district Transportation leadership holds weekly meetings with local Durham management staff and the Superintendent holds quarterly meetings with senior management to collaboratively address these issues. However, in some instances, the district has reduced payment to Durham as service credits for failure to fully comply with the contract.

### District-Operated Transportation Analysis and Due Diligence

District staff from Finance and Operations, including Budget Office, Transportation Department, Payroll and Procurement, and Facilities have met weekly since summer 2017 to develop a management plan to analyze a district-operated transportation system. On occasion and as needed, Human Resources and legal counsel have also provided information and guidance relative to staffing, collective bargaining, and benefit eligibility.

As part of the study to convert to full district-operated transportation service, Administrative staff visited Savannah-Chatham (GA) County Public School System, Minneapolis (MN) Public Schools, Edina (MN) Public Schools, Eden Prairie (MN) Schools, and the Metropolitan Transportation Network, Inc (Fridley, MN). The district has also collaborated and shared information with the Francis Howell R-III School District in St. Charles, MO, a district converting from contracted student transportation to district-operated student transportation.

As a result of this due diligence, the Administration learned and developed student transportation best practices around:

- Conversion to district-operated transportation (Savannah-Chatham, Francis Howell R-III School District)
- Organizational structure
- Maintenance facilities
- Vehicle replacement cycle
- Building and parking lot needs
- Office layout
- Alternative fuel sources
- Customer service staffing

This district-operated plan is influenced and adapted by experiences learned from these other district colleagues. The district is very appreciative of the time and information that was shared by the staff from these districts / vendors.

#### **Notable Districts Recently Moved / Moving to District-Operated Student Transportation**

The following school districts have recently moved or plan to move from contracted transportation services to district-operated transportation services, for a variety of reasons. This list is intended to show that many districts are considering the transition to bring services within district operations. There are many lessons to be learned about these transitions - most notably the sufficient time to allow for proper planning for vehicles, employees, and space requirements.

- **Savannah-Chatham School District (GA) (2016).** Moved in-house after contracted vendor went out of business. The district already owned the bus yard and vehicles
- **Ritenour School District (MO) (2017)**  
Most recently contracted with First Student. The district is lease-purchasing 28 new school buses to run 23 regular routes, as well as to transport students for athletic competitions and activity trips. The district began considering other options for student transportation as a result of increasing concerns about safety and reliability from parents and district administrators, as well as projected higher costs for contracting services next year. The district is cited with the following, “when a district owns and operates its own buses, it can serve families better and create jobs within the community.”

“For the last two years, we have considered several different transportation options to serve our students best and be good stewards of taxpayer funds,” said Superintendent Kilbride.

“As we looked into the costs of continuing to contract out for bus service while also weighing the benefits of having greater supervision over the employees who bring our students to and from school every day, it became clear that the best choice is to run our own buses. Our priority is our students, and we will work hard to provide safe, efficient school bus service so they get to school on time.”<sup>1</sup>

- **Richardson Independent School District (TX) (2018)**

After consideration of securing a different third-party vendor to provide transportation the district determined that student transportation would be fully operated by the district beginning with the 2018-19 school year.

According to the district’s website, “Bringing student transportation operations inside the district is projected to be the most cost-effective option available to RISD and would also provide the district the most flexibility and control over bus operations. It will require RISD to hire approximately 150 bus drivers, 50 bus monitors and 20 support employees to manage logistics and maintain the bus fleet.”<sup>2</sup>

- **Dallas (TX) (2018)**

The district decided to self-operate student transportation after voters decided to dissolve the previous student transportation provider, Dallas County Schools.

- **Erie School District (PA) (partial 2018, full by 2020)**

The fixed route regional transportation authority is ending student transportation; the district has decided to self-operate transportation services

- **Pflugerville Independent School District (TX) (2019)**

Purchasing a fleet of buses is a way for the district to maintain control over the quality of the fleet and its drivers according to the district.

- **Shelton Public Schools (CT) (2019)**

Purchased own fleet of 60 school buses and will take over operations in 2019-2020 with an estimated savings of \$1 million.

- **Francis Howell R-III School District (MO) (in consideration for 2019)**

The district has been with First Student for more than 20 years but due to cited cost and performance concerns, the district is considering whether to self-operate student transportation in the 2019-2020.

<sup>1</sup> <https://www.ritenour.k12.mo.us>

<sup>2</sup> [http://www.risd.org/group/districtnews/Student\\_Transportation.html](http://www.risd.org/group/districtnews/Student_Transportation.html)

## **Benefits of District-Operated Transportation**

### **Cost Savings**

The district has developed a ten-year budget comparison for contracted services and district-operated services. This analysis shows that a district-operated model will provide **\$36 million savings** to the district that could be used to further improve transportation options for the district and reallocate funds to support instructional programs in schools.

Over the first five-years of a district-operated model, the district expects approximately \$11 million in total savings and over the second five-year period, an additional \$26 million in savings. These amounts are based on the way in which the district will lease-purchase school buses with upfront costs (years 1-5) and then with significant savings in years 6-10.

The district began leasing vehicles during the 2018-2019 school year (13 big buses and 10 mid-size buses), and based on this experience and ongoing additional research, the district would lease-purchase over a five-year period. The district is developing a long-term proposed fleet replacement cycle to smooth the purchase and replacement of vehicles over time rather than large scale replacements in any given year. This fleet replacement cycle is being done in collaboration with SBC Consultants (the same consulting firm that was used to analyze transportation operations in 2014).

The ten-year budget analysis is being used as a representative of the replacement cycle for buses. The Durham School Services website<sup>3</sup> states that they “spread the cost of the buses over the entire useful life of the vehicle. The school district pays only a proportional share of these costs on an annual basis, rather than the total cost for replacement.”

For equal comparison, the correct analysis is to look at the cost of student transportation over the useful life of the vehicles, a significant cost factor in the budget. A ten-year replacement cycle maintains a very operational, cost-effective fleet. Industry data shows 8.5 to 9.5 years as a median fleet age and in some areas replacement after 17 years.

Otherwise, student transportation operational costs are essentially drivers (and monitor) salaries, fuel and maintenance, land and storage costs, and insurance and other costs. All other costs associated with a third party vendor that is “overhead and profit” is not needed in a district-operated model. All of these costs can be invested into improving transportation services and/or provide savings back to the district for reallocation to support instructional areas.

In the budget analysis, the district is using competitive salaries for bus drivers drawing from existing collective bargaining agreements and prevailing wage rates. The cost of driver and monitor salaries and benefits equal more than 52% of the proposed budget for district-operated transportation.

<sup>3</sup><http://www.durhamschoolservices.com/outsourcing/Pages/outsourcing.aspx>

### **Real-Time School Bus Arrival App**

A recent *School Transportation News* online survey<sup>4</sup> shows that only 19% of responding districts use a real-time school bus arrival time apps for parents, while another 22% of districts want to have this feature available to parents

The Worcester Public Schools have the ability to use existing routing software that so parents can know exactly where their student's school bus is and what time it will show up at their stop. This program graphically displays the school bus's location on a map, as well as the estimated time of arrival (ETA) to a specific student's bus stop. The school bus's location is automatically updated every five seconds and the ETA is recalculated to accommodate any delays due to traffic while in route. This application is available as either a web application or as a native app for iPhone® and Android™ smartphones. When using the app, parents can choose to receive push notifications alerting them to changes in their bus schedule, district-wide announcements and other important news. The web application allows users of other devices including PCs to access the information via a Web browser.

The district is prepared to implement My Stop application on currently district-owned buses and continue to work on technical integration with implementing MyStop with the current vendor.

The district could also expand use of Connect-Ed and social media in relation to the status of school buses as necessary.

### **Customer Service**

With a district-operated student transportation system, the **student** becomes the heart of everything we do; not profit margins. With transportation fully under district control we become solely accountable for performance: Every decision matters, we do the right thing to achieve our goals. We can now achieve the high standards that we set for ourselves. As district employees, we want to be provide the best service, continually seeking a better way to do things. Customer service is all about meeting and exceeding the expectations of the student, parent, guardian, school staff, and school principal.

### **Customer Service Software**

The district has piloted a customer service call center software for tracking, prioritizing, and solving customer support issues. The district anticipates having a solution in place as early as the 2019-2020 school year.

### **Dedicated positions to customer service**

The FY19 budget reflects two added positions dedicated to answer phone calls and provide answers to parents and schools about transportation issues. Under a district-operated transportation system, the district will have the ability to know (and share) the status of every bus in the district, obtain immediate answers as to any issues that might be occurring due to traffic or other delays, help parents and schools with any transportation orders and changes. The district can integrate transportation and student database systems seamlessly to provide exceptional customer service support because all of the information and accountability is together in one location.

<sup>4</sup> Source: [www.stnonline.com/news/stn-polls](http://www.stnonline.com/news/stn-polls) as of November 2, 2018.

**Supplemental Transportation: Athletics, field trips, New Educational Programs.**

This phased approach will include initial lease-purchase of 7D vans that would support in-district transitions programs and allow expanded student transportation opportunities for programs such as Early College, Innovation Pathways, transitions programs, and other enrichment opportunities, the district recommends to self-operate up to 30 vans (7D) currently contracted to outside vendors over the next several years.

The purpose would be to provide cost savings to the district and reallocate the savings into other student transportation opportunities new to the district. For example, as the number of Early College programs with Quinsigamond Community College and Worcester State University expands next year, the options to schools and students may change next year as well. Classes may be offered on campus or at high school locations during the morning or before the end of the traditional day. Having 7D vans, which would provide current level of services to students, and then be available for in-city transportation shuttles, would allow full access for students to these programs throughout the city as early as next year.

The district currently is operating 11 big bus routes in order to accomplish athletic transportation for the district. Expanded district-operated transportation would allow for more athletic transportation (when needed) at a lower cost to the district.

In addition, field trip transportation has been cost prohibitive for many schools. With a district-operated student transportation system, only driver and fuel costs would need to be covered in order to provide field trip services. The Administration estimates that the district can provide field trip services on average of 75% less expensive than recently paid by schools. Recent sample of field trip costs, schools have paid \$379 for a bus and the WPS would be able to provide the same transportation for \$110. Some other recent examples:

From	To	Hours	Actual Charge	WPS Rate	Savings
North High	Cottage Hill	6	\$1,312.50	\$132.00	<b>\$1,180.00</b>
Elm Park	Tougas Farm	4	\$564.00	\$82.50	<b>\$481.50</b>
Harlow St./South High	Connecticut	6	\$682.50	\$121.00	<b>\$561.50</b>
Various Schools (AP)	North High	5	\$379.45	\$110.00	<b>\$269.45</b>

**Current and Proposed Transportation Organizational Structure**

The district began implementing changes to the Transportation staff within the FY19 budget. First, the Administration identified essential positions needed for successful student transportation. In this case, a successful student transportation includes:

1. The ability to properly manage a large department of drivers, monitors, mechanics, support staff, and contracted vendors.
2. The ability to provide proper safety and operational training to staff
3. The ability to provide training for new drivers.
4. The ability to develop bus routes in a timely and efficient manner
5. The ability to answer questions about bus routes, bus locations, and operational questions to parents, schools, and other stakeholders in a timely manner.



6. The ability to communicate with bus drivers while driving about student issues, stop changes, traffic issues, and/or safety concerns.

The Administration then looked at peer departments, including the Georgia and Minnesota districts that were visited as part of this analysis. This analysis looked at what the “standard” staffing ratio should look like in a fully districted operated transportation system. After research, while there are no industry standards for this, a review of hundreds of other districts suggest a range of one full time equivalent positions for every 700-1,000 student riders would be an efficient staffing level.<sup>5</sup>

Based on this staffing ratio, the Worcester Public Schools would need to have 12-17 full time support staff.

- **Transportation Director (existing) (1)**
- **Assistant Transportation Director (added in FY18) (1)**
- **Operations Supervisor (3)**  
One position currently is established in the FY19 budget to oversee both big bus and Special Education buses. Under a full district-operated model, there should be one position each for big bus, special education, and specialized transportation (7D van service).
- **Safety & Training Coordinator (added in FY19) (1)**  
The district currently has 6 certified bus trainers. One full-time dedicated position was added during FY19 and the others perform other duties within the Transportation Department (routers, liaisons, and drivers). Under any expanded district-operated model, additional supplemental trainers can be used for training people to become licensed as a school bus driver.
- **Transportation Liaisons (added in FY19) (3)**  
Provides customer service for parents, schools, and other stakeholders and communicate with bus drivers
- **School Bus Router (added in FY19) (2)**  
Routers are responsible for the efficient scheduling of all buses in the district. Routers plan all corner-to-corner big bus routes as well and all curb-to-curb special education routes during the summer for the school year based on student enrollment and walking distances to school in accordance with School Committee student transportation policies, as well as any address changes or new transportation orders for special education transportation. They are also responsible for developing routes for changes in school bell times (starting and ending times) as well as accommodating all charter school, private school, and parochial school transportation applications.

<sup>5</sup> Source: Roberts, Dan (2013) “Best Practices in Student Transportation”, Transfinder Corporation (page 2).

During most school years, there are more than 4,000 special education and 750 big bus route changes made each year and increasing each year. While this equates to an average of 26 changes per day, the bulk of these route changes occur during the first two months of the school year.

- **School Bus Service Manager (added in FY19) (1)**

The work to date has yielded significant savings in outsourced school bus maintenance.

- **Bus Mechanics (6)**

Industry-standard staffing ratios for bus mechanics is one mechanic for every 22 school buses. Based on this ratio, the district should have 10 bus mechanics. However, since the majority of the bus fleet will be new or recent vehicles, the Administration believes the current compliment of staff is sufficient for the next several years. The overall objectives of the bus mechanics is to keep buses running at all times needed during the school day and to extend the useful life (reduce the purchase cost and frequency) of new school buses. With proper maintenance and care, it is expected that district buses should be in the fleet for approximately 12 years.

In several cases, some of these positions have been converted from other positions. One Operations Supervisor was converted from a Transportation Coordinator position. The Safety and Training Coordinator was converted from an Assistant Coordinator position. One of the Router positions was converted from an Assistant Coordinator position.

The additional positions were added through the savings realized by running eleven big bus routes through district-operated buses and returning four special education mid-size buses to district-operated routes. The move was also intended to provide direct support of an additional eleven big bus routes that the district began directly providing this year resulting from not receiving any bids for the athletic transportation contract for this year. This is the first time in known history that the WPS is directly operating big bus transportation. In order to be cost effective in providing athletic transportation, the district also operates eleven morning and afternoon routes for home-to-school transportation. Overall, the transition of eleven district-operated big buses saved the district \$402,000, with \$208,000 invested in new support positions for transportation operations (see pages 62 and 176-177 of the FY19 budget book) resulting in FY19 savings of \$194,000. The current eleven district-operated big bus routes are attached. Ten of the afternoon routes are designed and assumed to be available for athletic transportation daily at 2:15pm.

The district is exploring a phased-in student transportation system over the next several years resulting in a cost savings, improved customer service to students, parents and schools, and expanded transportation options for the district at no additional cost than the current budget. The district looks forward to a cooperative and responsive working relationship with any existing and future contracted vendors during the transition.