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The following items will be discussed at a virtual meeting of the Standing Committee on Finance and Operations on Wednesday, August 18, 2021 at 4:30 p.m. in Room 410 of the Durkin Administration Building:

gb #0-267 - Administration (August 18, 2020)

To review the status of the FY21 Budget and make appropriate transfers as required.

gb 1-153.2 - Administration/Ms. Novick (June 28, 2020)

Response of the Administration to the request to hold C and D for discussion for the July 22, 2021 meeting:

C. Request that the Administration provide a report on the number of bus drivers needed in order to appropriately fill the district needs. (Ms. Novick)

D. Request that the Administration provide a report on whether Federal Grant funds may be used for the purchase of school buses. (Ms. Novick)

STANDING COMMITTEE: **FINANCE AND OPERATIONS**

DATE OF MEETING: Wednesday, August 18, 2021

ITEM: Administration (August 17, 2020)

To review the status of the FY21 Budget and make appropriate transfers as required.

PRIOR ACTION:

8-27-20 -Mr. Allen stated that this is an interim budget and the final budget will not be proposed until October. The 15.5 million dollar reductions may not necessarily be in the final budget and that adjustments may need to be made.

Mayor Petty hoped that extended day learning, crossing guards and cafeteria worker jobs will be reinstated if the final budget changes.

Miss Biancheria requested that the item be held in order to discuss what can be reduced from the current interim budget by going line by line.

Ms. Novick requested an update on school nutrition services to which Mr. Allen replied that the current plan calls for food distribution in high density areas with fifteen locations for students to pick up their meals.

Miss Biancheria made the following motion:

Request that the item be held.

On a roll call of 2-5 (yea Miss Biancheria and Mr. Monfredo), the motion was defeated.

On a roll call of 6-1 (nay Miss Biancheria), the backup was approved.

Mayor Petty moved to suspend the rules for a reconsideration.

On a roll call of 6-1 (nay Miss Biancheria), the rules were suspended.

On a roll call of 1-6 (yea Miss Biancheria), the reconsideration was denied.

Ms. McCullough made the following motion:

Request that the Administration prioritize reinstating extended learning if additional money becomes available.

On a roll call of 6-1 (nay Ms. Novick), the motion was approved.

On a roll call of 7-0, the item was referred to the Standing Committee on Finance and Operations.

BACKUP: Annex A (1 page) contains a copy of the WPS 2020-21 Budget Account Summary Final Report.

WORCESTER PUBLIC SCHOOLS 2020-2021
BUDGET ACCOUNT SUMMARY
FINAL REPORT

<u>Account</u>	<u>Account Title</u>	<u>Adopted Budget</u>	<u>Expended</u>	<u>Balance</u>
500-91110	Administration Salaries	\$14,008,468	\$14,345,608	-\$337,140
500-91111	Teacher Salaries	\$181,007,073	\$185,512,450	-\$4,505,377
500-91112	School Committee Salaries	\$98,628	\$98,626	\$2
500-91114	Teacher Substitutes Salaries	\$2,115,197	\$1,393,101	\$722,096
500-91115	Instructional Assistants Salaries	\$13,163,223	\$12,838,631	\$324,592
500-91116	Coach Salaries	\$712,702	\$388,715	\$323,987
540-91117	Transportation Salaries	\$4,288,767	\$4,040,902	\$247,865
500-91118	Supplemental Program Salaries	\$1,607,966	\$1,378,813	\$229,153
500-91119	Custodial Salaries	\$7,391,895	\$7,355,417	\$36,478
500-91120	Maintenance Service Salaries	\$2,005,293	\$1,793,560	\$211,733
500-91121	Administrative Clerical Salaries	\$3,536,447	\$3,431,913	\$104,534
500-91122	School Clerical Salaries	\$2,375,821	\$2,302,190	\$73,631
500-91123	Non Instructional Salaries	\$2,683,451	\$2,559,674	\$123,777
540-91124	Crossing Guard Salaries	\$183,838	\$111,043	\$72,795
500-91133	School Nurse Salaries	\$5,856,720	\$5,697,093	\$159,627
500-91134	Educational Support Salaries	\$4,036,070	\$1,860,367	\$2,175,703
540-97201	Transportation Overtime Salaries	\$686,000	\$153,806	\$532,194
500-97203	Custodial Overtime Salaries	\$1,100,050	\$1,142,360	-\$42,310
500-97204	Maintenance Overtime Salaries	\$158,458	\$20,136	\$138,322
500-97205	Support Overtime Salaries	<u>\$72,333</u>	<u>\$109,117</u>	<u>-\$36,784</u>
	Salary Total	\$247,088,400	\$246,533,522	\$554,878
500101-96000	Retirement	\$19,683,751	\$19,683,330	\$421
540103-92000	Transportation	\$10,562,522	\$8,991,128	\$1,571,394
500122-92000	Athletic Ordinary Maintenance	\$465,819	\$258,707	\$207,112
500123-96000	Health Insurance	\$51,245,115	\$51,384,049	-\$138,934
500125-92000	Other Insurance Programs	\$63,086	\$83,965	-\$20,879
500129-96000	Workers Compensation	\$1,967,646	\$1,810,553	\$157,093
500130-92000	Personal Services	\$2,360,715	\$2,286,831	\$73,884
500132-92000	Tuition	\$20,068,553	\$19,337,817	\$730,736
500133-92000	Printing & Postage	\$317,272	\$308,612	\$8,660
500-92204	Instructional Materials	\$3,130,992	\$3,812,379	-\$681,387
500136-92000	Miscellaneous Educational OM	\$4,136,378	\$5,727,765	-\$1,591,387
500137-96000	Unemployment Compensation	\$732,000	\$835,876	-\$103,876
500146-92000	Building Utilities	\$6,230,254	\$6,780,154	-\$549,900
500152-92000	Facilities Ordinary Maintenance	<u>\$4,346,166</u>	<u>\$4,563,977</u>	<u>-\$217,811</u>
	Non Salary Total	\$125,310,269	\$125,865,143	-\$554,874
Total General Fund Budget		\$372,398,668	\$372,398,665	\$3

STANDING COMMITTEE: **FINANCE AND OPERATIONS**

DATE OF MEETING: Wednesday, August 18, 2021

ITEM: Administration/Ms. Novick (June 28, 2020)

Response of the Administration to the request to hold C and D for discussion for the July 22, 2021 meeting:

- C. Request that the Administration provide a report on the number of bus drivers needed in order to appropriately fill the district needs. (Ms. Novick)
- D. Request that the Administration provide a report on whether Federal Grant funds may be used for the purchase of school buses. (Ms. Novick)

PRIOR ACTION:

7-22-21 - SCHOOL COMMITTEE MEETING

Mayor Petty requested that the item be referred to the Standing Committee on Finance and Operations.

Superintendent Binienda stated that the Charter Schools are no longer using Worcester Public Schools' bussing which will allow more flexibility to transport Worcester public school students.

Ms. Novick requested that the backup that the prior committee received regarding district transportation be included as backup for this item for the next meeting of the Standing on Finance and Operations.

Ms. Novick made the following motion:

Request that the Administration provide a report on the possible use of ESSER Funds to purchase school busses.

On a voice vote, the motion was approved.

It was moved and voice voted to refer the item to the Standing Committee on Finance and Operations.

BACKUP:

Annex A (3 pages) contains a copy of the Administration's response to the motions on July 22, 2021.

Annex B (12 pages) contains a copy of the report of transportation presented in September 2019.

Annex C (1 page) contains a copy of the report on the financial impacts if the buses were purchased using ESSER funds.

- C. Request that the Administration provide a report on the number of bus drivers needed in order to appropriately fill the district needs. (Ms. Novick)

Response:

Bus Category	FY22 Planned Number of Buses		WPS Current Drivers	Durham Current Bus Drivers	Difference
	WPS	Durham			
Large Buses	14	87	14*	62	-25
Mid-Size Buses	41	33	41*	29	-4
Wheelchair Buses	0	21	0	21	0
TOTAL	55	141	55	112	-29

****The WPS is fully staffed and currently has 2 spare large bus drivers and 5 spare mid-size drivers to cover daily absences.***

Durham School Services has informed the WPS of the following strategies for the recruitment of drivers for next school year:

- **Durham is targeting an additional 40 drivers to be hired over the next two months (by mid-August)**
- **Durham is conducting interviews through resumes collected through online recruitment websites**
- **Durham has hired an outside service to help with recruitment (billboard signs, etc.)**
- **Durham is beginning a CDL training class, hired additional trainers, added additional training hours (nights and weekends).**

- D. Request that the Administration provide a report on whether Federal Grant funds may be used for the purchase of school buses. (Ms. Novick)

Response:

Special Education Buses:

ESSER Guidance (Frequently Asked Questions, U.S. Department of Education (May 2021)):

An LEA may use ESSER funds for the broad range of activities listed in section 18003(d) of the CARES Act, section 313(d) of the CRRSA Act, and section 2001(e) of the ARP Act. Although the lists of allowable uses of funds are not identical, any of the ESSER funds (ESSER I, ESSER II, or ARP ESSER) may be used to support all of the allowable uses of funds listed in any of the ESSER programs, including:

- Any activity authorized by the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. 1400 et seq.).

MA DESE Guidance on Allowable Costs for IDEA Entitlement Grants (June 2018):

BUS PURCHASE, LEASE or RENTAL: Vehicles may be used only for special education-related activities. This includes transporting students to and from school if the student's IEP requires specialized transportation. Vehicles purchased with IDEA funds may also be used to transport students during the school day if related to their special education and related services. Vehicles may also be used by special education staff. These restrictions apply even if only a portion of the vehicle cost is covered with IDEA funds. LEAs must receive prior approval from DESE to use IDEA funds for capital equipment.

Large School Buses:

MA DESE Frequently Asked Questions Regarding ESSER II (First Posted: March 9, 2021):

Is purchasing a vehicle an ESSER II allowable cost?

It is possible to purchase a vehicle using ESSER II funds, as long as it fits in the general allowable ESSER II categories. ESSER II funds are subject to the Education Department General Administrative Regulations (EDGAR) and the Federal Governments Uniform Grant Guidance (UGG), which includes the requirement that spending be necessary and reasonable. Considering the necessary and reasonable requirement, ESSER II provides districts with short-term relief funds to address the effect of COVID-19 on elementary and secondary schools, and ESSER II is not an ongoing program to support long-term expenses.

Federal procurement guidance is clear that you must avoid acquisition of unnecessary or duplicative items and consideration should be given to obtain a more economical purchase. Where appropriate, an analysis must be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

MA DESE Commonly Asked Questions about Allowable ESSER and GEER Activities (February 21, 2021)

Transportation: The Elementary and Secondary Education Act (ESEA) limits the use of ESEA funds for transportation in certain circumstances, but that limitation does not apply to ESSER or GEER.

An LEA could use local ESSER funds for a variety of transportation costs like:

- Running additional bus routes with fewer students to permit physical distancing, and
- Where appropriate, reimbursing families for mileage expenses, if families provide transportation

Please note if an entity uses ESSER or GEER funds for a capital expense, like purchasing additional buses, it must receive prior written approval.

Examples of guidance from other states have indicated that school buses are an eligible ESSER expense:

Colorado: Purchasing buses or other vehicles to accommodate physical distancing

Yes, if necessary, reasonable, and allocable for the purposes of continuing educational services during school closures or for implementing a plan for return to normal operations...All ESSER-funded activities must be necessary to prevent, prepare for, or respond to COVID-19. Prior written approval (final approval on the ESSER application) from CDE is required before the direct charge rate to the ESSER funds. Reasonableness includes being able to demonstrate that purchasing a bus is a more cost-effective approach than other alternative solutions (e.g., leasing a bus).

Iowa: Purchasing vehicles for student transportation to provide for physical distancing is an allowed use of ESSER I/II funding only to the extent that the following conditions are met. The district must also receive prior written approval from the Department.

- The purchase is necessary to provide continuity of district services (e.g., adding routes);
- The purchase expands the district's fleet of student transportation vehicles rather than replacing an existing vehicle; and
- Purchase of the vehicle is more cost efficient than other options (e.g., leasing the vehicle; 2 CFR § 200.465).

Tennessee: Can school buses be purchased with ESSER 3.0?

Yes, the LEA could purchase buses with the remaining 80 percent of their ESSER 3.0 allocation or use ESSER 1.0 or ESSER 2.0 funds to promote social distancing.

The Administration has requested an opinion from MA DESE regarding the purchase of large school buses from ESSER funds. As of June 7, 2021, a formal opinion has not been received.



WORCESTER PUBLIC SCHOOLS
Student Transportation Contracted Services Bid Results and
District-Operated Transportation Cost Analysis
Report to the School Committee
September 2019

Executive Summary and Recommendation

Superintendent's Recommendation: Award
Two-Year Student Transportation Contract to
Durham School Services and Transition to
District-Operated Transportation in 2022

SUMMARY & RECOMMENDATION



The district's current student transportation five-year contract will end on the last day of school in June 2020. At the School Committee meeting on March 21, 2019, the School Committee requested that the Administration solicit bids for a two-year (with an optional third year) contract as well as a five year contract.

The bid opening was on June 21, 2019 with one bid received from Durham School Services for student transportation services for the two-year (and optional third year) contract. No bids received for a five-year contract. Initial bid results were a 15% price increase (\$1.8 million) in the first year of the new contract (2020-2021). After several meetings and discussions, a revised bid totaling an 8.3% increase (\$1.0 million increase in FY21) was reached and is presented to the School Committee for consideration and award. This revised bid price is contingent on: (1) the reconciliation of 2018-2019 payment credits taken by the District for non-compliance and (2) agreement on a Memorandum of Understanding for the protocol for service credits for non-compliance for the 2019-2020 final year of the current contract and for the term of the recommended next contract beginning in June 2020. The Worcester Public Schools is not prepared to assume all transportation at this time.

At the School Committee meeting on March 21, 2019, the School Committee requested that the Administration prepare an analysis to compare the cost and determine any savings that could be realized through a full district-operated student transportation system. At the direction of the School Committee, as early as 2010, the Administration began an initial analysis of district-operated student transportation costs and implications based on historical large increases in prices for contracted student transportation.

Based on the revised bid prices as negotiated with Durham School Services, the Administration has compared costs and identified projected savings through a district-operated transportation system of potentially \$2.1 million, or 16% reduction in cost, in the first year of operations. Over the three-year contract period (including the optional third year of the contract), the district finance office would predict savings of a district-operated student transportation system totaling \$7.1 million.

Over the past eighteen months, the Transportation, Facilities, Finance, and Procurement Directors have studied district-operated transportation in further detail. This work has included several site visits across the country and conducted many conference calls with districts considering or recently transitioned from contracted to district-based student transportation. As part of this review, the Administration has reviewed all aspects of increasing the district's current student transportation services. A transition to full district-operated transportation is not the same as starting a new operation; it is an expansion of current operations by adding employees, procuring vehicles, expanding space, and increasing training programs. However, the Administration will engage independent consultants for additional analysis and assistance on aspects of a transition to district-operated student transportation system for verification.

To the district's advantage, the Worcester Public Schools operates 36 mid-size buses and 13 big buses with many decades of operational experience. The district performs all routing for all district and contracted buses. The district already provides maintenance for district vehicles. The district provides school bus

training for candidates seeking school bus driver licensure. The district purchases fuel, is the primary contact for all customer service calls from parents and schools, and negotiates transportation employee collective bargaining agreements.

The Superintendent firmly believes that at this time the district needs to keep focused on the educational mission and goals of the Worcester Public Schools. As the district implements the approved Strategic Plan, the Superintendent also believes that the educational staffing, materials/resources and professional development needs in our district have not been met. The district's attention and resources must remain on addressing the educational gaps and students' needs to ensure continued improvement and increased student achievement in our educational system.

The district would use this additional time to develop a multi-departmental work group and collaborate internally, as well as confer with other like districts, resulting in an efficient and cost effective student transportation system. The district transportation operations will continue to work to develop a structure that focuses equally on customer service excellence and cost savings for the district. In addition, the district is developing new customer service technologies for transportation and these systems will be implemented during this additional time. This is a current need.

Therefore, the Superintendent recommends the award of this contract with status quo arrangement for the next two years. Upon the end of this next contract in June 2022, the Superintendent recommends that the School Committee review all information provided by internal and external groups and make the appropriate recommendation.

The proposed transition schedule is as follows:

Current Year 2019-2020: The district will complete the bid and award of contract for a combined Facilities and Transportation Department's new location. The district will continue to develop and refine the appropriate structure and analyze related costs that would be applicable at the time of transition to the new facility.

2020-2021: The district's Facilities and Transportation Departments plan to move into the new space in June 2020. The Transportation Department will spend the year aligning transportation operations, maintenance, and training spaces at the new location for future planned expansion. During this period of time:

- The Transportation Office will develop and define employee hiring, salary, and benefit parameters through Civil Service and collective bargaining processes in collaboration with the Worcester Public School's Chief Diversity Officer.
- In light of the national school bus driver shortages, the district will formalize a *Bus Monitor-to-Bus Driver* training program, similar to the district's recent Instructional Assistant-to-Teacher pipeline program. Of the current bus drivers for the Worcester Public Schools, 10 of the current 37 mid-size bus drivers (27%) were previously bus monitors within the district. Our bus monitors are a great pipeline opportunity for bus driver candidates.
- The WPS will conduct a customer satisfaction and needs assessment survey and focus groups to inform the work.

2021-2022: The district will begin 7D (van) student transportation for up to 60 routes. A one-year notification to expand parking spaces with the landlord is required. The district will order all buses and initiate a hiring process for drivers and monitors.

2022-2023: With school committee approval, the district may transition to full district-operated student transportation.

Summary of Bid Process

The School Committee authorized the Administration to seek bid proposals for student transportation contracted services for a term beginning at the end of the 2019-2020 school year.

SUMMARY



The School Committee requested that the district seek proposals for both a three year contract (two years plus and optional third year) and a five-year proposal in an effort to increase the competition (number of responses and lower prices) among vendors.

The district held a pre-bid conference on June 7, 2019. Attending the pre-bid conference were the following (in alphabetical order):

- AA Transportation
- Durham School Services
- New England Transit (a school bus sales company)
- Specialty Transportation, Inc.
- Savannah Transportation LLC
- Teamsters Local 170

The bid opening occurred on June 21, 2019. The district received one bid for the three year proposal (Durham School Services) and no bids were received for the five year proposal.

The result of this bid proposal from Durham School Services was a 15% increase in the daily rates for big buses, mid-size buses, and wheelchair buses. Overall, the budget for student transportation under this single bid proposal would increase \$1.8 million in FY21, or 14.7%, from \$12.3 million to \$14.1 million. The following two years included a 3% increase each year. By the end of the three year contract, the total increase would be \$2.7 million, or 21.6% cumulative increase above the FY20 rates.

As permitted by Massachusetts procurement laws (M.G.L. Chapter 30B), the Administration met with officials from Durham School Services to negotiate a lower price. Durham School Services submitted a revised bid price resulting in an 8.3% overall price increase over the FY20 contract rates, totaling a \$1,015,860 increase in FY21. This revised bid price is contingent on the following:

1. Immediate reconciliation and re-payment of certain previously assessed credits by the District for non-compliance during 2018-2019 totaling \$100,458.23.
2. Agreement to a Memorandum of Understanding for the protocol for service credits for non-compliance for the final year of the current contract and for the term of a recommended two-year contract beginning in June 2020.

These two documents are attached.

Bid Results

Bid Results



Bid Results Cost Analysis

Daily Rates (Year 1 Proposed Bid)

Category	2019-20 Per Day Rate (Current)	2020-21 Per Day Rate (Original Bid)	2020-21 Per Day Rate (Revised)	% Increase (Using Revised Rates)
Big Bus	\$444.14	\$510.60	\$481.95	8.5%
Mid-Size Bus	\$565.83	\$650.42	\$613.93	8.5%
Wheelchair Bus	\$594.31	\$683.16	\$644.83	8.5%
Mid-Day Wheelchair	\$157.61	\$136.32	\$128.67	-18.4%
After school Bus	\$118.59	\$128.00*	\$128.00*	7.9%

* Price not included on bid sheet.

Bid Result Budget Impact
FY20 Current Year to Year 1 Proposed Bid

Category	2019-20 Per Day Rate	FY20 Cost	2020-21 Revised Per Day Rate	FY21 Cost	\$ Cost Increase	% Cost Increase
Big Bus	\$444.14	\$6,715,397	\$481.95	\$7,287,084	\$571,687	8.5%
Mid-Size Bus	\$565.83	\$3,157,331	\$613.93	\$3,425,729	\$268,398	8.5%
Wheelchair Bus	\$594.31	\$2,246,492	\$644.83	\$2,437,457	\$190,965	8.5%
Mid-Day Wheelchair	\$157.61	\$113,479	\$128.67	\$92,642	-\$20,836	-18.4%
After school Bus	\$118.59	\$71,154	\$128.00	\$76,800	\$5,646	7.9%
TOTAL COST		\$12,303,853		\$13,319,713	\$1,015,860	8.3%

The bid reflected a 3% increase over the next two years, as follows:

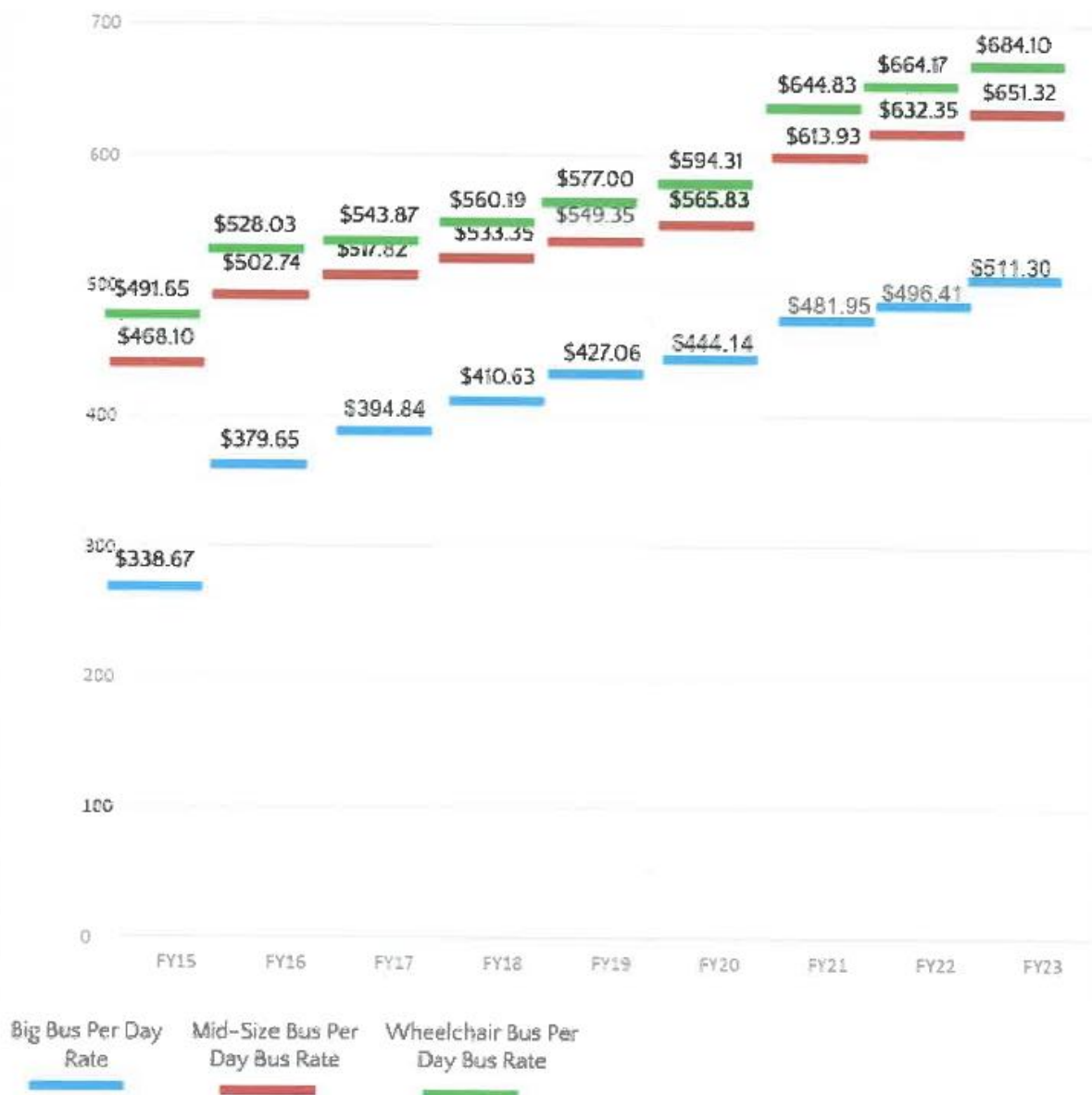
Category	Year 1 (2020-2021) Revised Rate		Year 2 (2021-2022) Revised Rates		Optional Year 3 (2022-2023) Revised Rates	
	Daily Rate	Total Cost	Daily Rate	Total Cost	Daily Rate	Total Cost
Big Bus	\$481.95	\$7,287,084	\$496.41	\$7,505,719	\$511.30	\$7,730,856
Mid-Size Bus	\$613.93	\$3,425,729	\$632.35	\$3,528,513	\$651.32	\$3,634,366
Wheelchair Bus	\$644.83	\$2,437,457	\$664.17	\$2,510,563	\$684.10	\$2,585,898
Mid-Day Wheelchair	\$128.67	\$92,642	\$132.53	\$95,422	\$136.51	\$98,287
After school Bus	\$128.00	\$76,800	\$131.84	\$79,104	\$135.80	\$81,477
TOTAL COST		\$13,319,713		\$13,719,320		\$14,130,884
Increase		\$1,015,860		\$399,607		\$411,564
% Increase		8.3%		3.0%		3.0%

Overall, the proposed revised bid represents an increase of 8.3% (\$1,015,860) in year one; 3% in Year 2 (\$399,607) and an optional additional year with a proposed increase of 3% (\$411,564) in year three.

History of Bid Prices

The Administration has explored district-operated student transportation for the past two contract cycles. The following is a summary of the cost per day per bus for each category from 2015-2020 historical rates and 2021-2023 submitted revised bid rates.

Per Day Per Bus Cost Contracted Rates
FY15-FY20 Actual Rates and FY21-FY23 Proposed Rates



District-Operated Cost Analysis

The School Committee also requested that the Administration develop a cost analysis for a fully district-operated student transportation system and discuss the "pros and cons" of such recommendation.

District-Operated Cost Analysis



The summary of the district-operated cost analysis is presented in a per day charge and overall budget amount by category to compare to the bid proposal received.

Bid Results vs District-Operated Cost Analysis

Comparison of Daily Rates (Using 2020-21 Prices)

Category	2020-21 Per Day Rate (Proposed by Durham School Services) Revised Rates	2020-21 Per Day Rate WPS District-Operated Transportation	Savings per Day per Bus for District-Operated Transportation
Big Bus	\$481.95	\$406.91	\$75.04
Mid-Size Bus	\$613.93	\$548.00	\$65.93
Wheelchair Bus	\$644.83	\$548.00	\$96.83
Mid-Day Wheelchair	\$128.67	\$106.29	\$22.38
After school Bus	\$128.00	\$61.40	\$66.60

Budget Impact (Year 1) (Using 2020-21 Prices)*

Category	Durham School Services (Revised Bid Year 1)		WPS District-Operated Transportation (Year 1)		\$ Savings	% Savings District Transportation over Proposed Bid
	2020-21 Per Day Rate	FY21 Cost	2020-21 Per Day Rate	FY21 Cost		
Big Bus (84)	\$481.95	\$7,287,084	\$406.91	\$6,152,444	\$1,134,640	16%
Mid-Size Bus (31)	\$613.93	\$3,425,729	\$548.00	\$3,057,359	\$368,370	11%
Wheelchair Bus (21)	\$644.83	\$2,437,457	\$548.00	\$2,070,268	\$367,190	15%
Mid-Day Wheelchair (4)	\$128.67	\$92,642	\$106.29	\$76,527	\$16,115	17%
After school Bus (10)	\$128.00	\$76,800	\$61.40	\$36,838	\$38,474	50%
Summer School*		<u>\$358,682</u>		<u>\$137,390</u>	<u>\$222,780</u>	<u>62%</u>
TOTAL COST		\$13,678,395		\$11,530,826	\$2,147,569	16%

*The cost analysis includes summer school transportation costs. The cost of the buses for Durham School Services is the price per day cost for the appropriate vehicle (big bus, mid-size bus, or wheelchair).

WPS District-Operated Transportation Cost Assumptions:

- The budget reflects additional, currently-identified costs that would be added to the District budget for buses currently operated by contracted services.
- All bus driver salaries are based on July 2020 salaries included in the Teamsters Union, Local 170 collective bargaining agreement with Durham School Services as follows: \$27.41 for all big bus drivers hired before November 5, 2016, \$23.47 for big bus drivers hired after November 6, 2016, and \$25.61 for all special needs drivers.
- All bus monitor salaries are based on the existing salary schedule of Worcester Public Schools bus monitors.
- The cost of buses is spread over the entire useful life of the equipment in order to be comparable to the methodology used by Durham School Services as identified at:

<https://www.durhamschoolservices.com/outsourcing/Pages/outsourcing.aspx>.

This cost analysis uses the terms of the WPS bid specifications of 10 years as the basis of vehicles useful life for district vehicles. The actual procurement (lease/purchase) method (and initial) annual cost used by the district may differ based on vehicle procurement recommendation as provided to the district by School Bus Consulting, Inc.

- The budget assumes four additional bus mechanics and three additional support staff (one operations supervisor, one transportation liaison, and one Human Resources liaison). Additional supervisory trainers are recommended within the identified savings to enhance school, parent, and student customer experience.
- The budget assumes costs associated for employee health insurance, workers compensation, and unemployment costs based on historical utilization for school transportation employee groups. The Administration also recommends an opportunity to fund OPEB contributions for newly added positions through the identified savings.
- The budget assumes all costs for vehicle maintenance and fuel cost. The budget also assumes supplemental vehicle and liability insurance (usually not covered on other WPS vehicles).
- The budget assumes a pro-rated share of lease costs of the proposed student transportation and facilities management location.

Worcester Public Schools District-Operated Student Transportation Daily Rates

Category	2020-21 Per Day Rate	2021-22 Per Day Rate	2022-23 Per Day Rate
Big Bus	\$406.91	\$415.00	\$423.33
Mid-Size Bus	\$548.00	\$558.78	\$569.91
Wheelchair Bus	\$548.00	\$558.78	\$569.91
Mid-Day Wheelchair	\$106.29	\$108.41	\$110.58
After school Bus	\$61.40	\$62.62	\$63.88

THREE-YEAR COST ANALYSIS

Category	Durham School Services Cost	Worcester Public Schools District-Operated Transportation Cost	Difference
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2020-2021	\$13,678,395	\$11,530,826	\$2,147,569
2021-2022	\$14,088,747	\$11,715,171	\$2,373,575
Optional 2022-2023	<u>\$14,511,409</u>	<u>\$11,949,113</u>	<u>\$2,562,296</u>
Total	\$42,278,550	\$35,195,110	\$7,083,440

TEN YEAR COST ANALYSIS

It is important to view the impact of district-operated services over a long term cost and potential savings perspective. A district-operated student transportation program would be an investment of at least 5 years and more likely 10 or more years based on the investment of vehicles, equipment, and space.

Therefore, if the analysis were to extend out for ten years (the useful life of the school buses), and this model assumes the contractor's proposed bid is increased at 3% per year in years 4-10 yielding the following annual costs:

Category	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Large Buses	\$7,962,793	\$8,201,677	\$8,447,728	\$8,701,159	\$8,962,194	\$9,231,060	\$9,507,992
Wheelchair	\$2,663,476	\$2,743,380	\$2,825,681	\$2,910,452	\$2,997,765	\$3,087,698	\$3,180,329
Mid Day Pre-K	\$101,233	\$104,270	\$107,398	\$110,620	\$113,938	\$117,357	\$120,877
Mid Size Bus	\$3,743,387	\$3,855,689	\$3,971,359	\$4,090,500	\$4,213,215	\$4,339,612	\$4,469,800
Special needs - Summer	\$391,941	\$403,699	\$415,810	\$428,285	\$441,133	\$454,367	\$467,998
After School Buses	\$83,921	\$86,439	\$89,032	\$91,703	\$94,454	\$97,288	\$100,207
Total Cost	\$14,946,751	\$15,395,154	\$15,857,008	\$16,332,719	\$16,822,700	\$17,327,381	\$17,847,203
District-Operated Costs	\$12,189,155	\$12,435,487	\$12,939,659	\$13,206,834	\$13,481,134	\$13,762,785	\$14,052,022
District-Operated Savings	\$2,757,596	\$2,959,667	\$2,917,350	\$3,125,884	\$3,341,566	\$3,564,597	\$3,795,181

Over a ten-year basis, the district projects \$30 million in total savings or on average \$3.0 million per year.

Based on current information the basis of district-operated cost estimates are as follows:

- Salary increases for all employees consistent with previous collective bargaining agreements with all employee groups.
- Health insurance increases by 5% per year.
- Fuel and maintenance costs escalate by 2.5% per year.

Worcester Public Schools Transportation Department Existing Staff and Structure

Existing Staff & Structure



The Worcester Public Schools currently operates 36 mid-size special needs routes and 13 big bus routes daily. The district is also responsible for the scheduling, and planning of all bus routes for all district and contracted buses. The Worcester Public Schools transportation staff has experience in student transportation, operations, routing, safety and training. This existing capacity has increased in the last few years with new hires and will be supplemented by additional operations and customer service staff upon expansion to full district-operated student transportation. The district will look to increase diversity of it's staff in this department including supervisor and management positions. The following is the summary of the current internal capacity within the Worcester Public Schools Transportation Department:

Director

John Hennessey

- 44 years of transportation experience, including 32 years in student transportation
- Founding member of the Massachusetts Association of Pupil Transportation (MAPT), served three terms as President
- MAPT Liaison to Massachusetts Special Education Transportation Taskforce

Assistant Director

Michael Freeman

- 18 years of transportation experience
- Expertise in operations, logistics, routing efficiency, and business strategy

Operations Supervisor

Wayne Cardwell

- 9 years of transportation experience
- 10 years of customer service experience
- Experience as a school bus location manager, operations manager, and bus dispatcher

Training and Safety Supervisor

Kathy Everett

- 25 years of student transportation experience
- Certified School Bus Instructor in the Commonwealth of Massachusetts
- Certified CPR and First Aid trainer
- Certified classroom trainer in CPI

Routers (2)

- One router with 37 years of experience in school bus transportation, experienced Transportation Director, National Certification as a Director of Pupil Transportation, certified in Special Needs Transportation, and certified School Bus Instructor in Commonwealth of Massachusetts
- One router with 12 years of experience in school bus transportation, experienced in routing software, and certified School Bus Instructor in Commonwealth of Massachusetts

Transportation Liaisons

- One with 20 years of experience in school bus transportation and certified School Bus Instructor in Commonwealth of Massachusetts
- One with 19 years of customer service experience

Field Trips

When district buses are available, the district will be able to provide field trip transportation to schools up to 83% less than the recent costs paid by schools. This district would only need to cover bus driver cost and fuel usage. This area does not need to be a profit center for the district transportation and can make field trip transportation available and affordable to all schools. The following are samples from recent previous trips:

Field Trips



From	To	Hours	Actual Charge	WPS Rate	Savings	% Savings
North High	Cottage Hill	6	\$1,312.50	\$225.00	\$1,087.50	83%
Sullivan Middle	Middleton, CT	8	\$875.00	\$300.00	\$575.00	66%
Harlow St./South High	Connecticut	6	\$682.50	\$225.00	\$457.50	67%
Elm Park	Tougas Farm	4	\$564.00	\$150.00	\$414.00	73%
WTHS	Bay Path High School -Charlton	9	\$627.80	\$340.00	\$287.80	46%
Fanning NCC	Marlborough	4	\$354.40	\$150.00	\$204.40	58%
Various Schools (AP)	North High	5	\$379.45	\$190.00	\$189.45	50%
North High	Marlborough	6	\$402.50	\$225.00	\$177.50	44%

Advantages of District-Operated Transportation

The School Committee requested the Administration present potential "pros and cons" of district-operated transportation. The following describes an internal assessment of advantages with a district-operated student transportation system:

District-Operated Transportation ADVANTAGES



- **Budget Savings:** With a district-operated transportation system, there is no profit margin needed for the district to operate school buses. This has been the experience that the district has realized with the several other services that have been converted to in-district operation (specialized autism services, clinical care, and school nutrition meals). The amount usually included in the price for profit margin and any other savings, can be redirected back into direct student transportation improvements and/or instructional areas.
- **Experience:** The Worcester Public Schools currently operates 36 mid-size special needs routes and 13 big bus routes daily. The district is also responsible for the scheduling, and planning of all bus routes for all district and contracted buses. The Worcester Public Schools transportation staff has experience in student transportation, operations, routing, safety and training.

For student transportation, the district already is responsible for all of the planning and routing of all school buses and handles customer service calls from schools and parents. There are challenges (e.g., such as connecting by phone to communicate concerns, processing special education transportation orders, and anticipating ridership/overcrowding) that we are working on internally and with Durham to coordinate and resolve. The Transportation leadership has decades of student transportation experience. The Transportation Office feels the addition of vehicles and employees can be effectively managed with the current and proposed administrative organization.

- **Local:** All management and decisions are local. There will not be positions that have other responsibilities outside of Worcester; the entire focus is on the Worcester Public Schools. Every decision is made in the best interest of Worcester students and programs. All money for student transportation stays local!
- **Hire Current Employees:** To the extent possible under all collective bargaining requirements, the district would recognize all current contractual wages for current drivers. In addition, to whatever extent possible within collective bargaining and state Civil Service requirements, all current contracted drivers would be welcome to be drivers for the Worcester Public Schools upon transition to district-operated student transportation.
- **Employee Benefits:** The City of Worcester employees currently have 75% employer contributions for both family and individual health insurance plans. Most employees would be eligible for the City of Worcester Retirement System and eligible for a pension after ten years of service (age 55).
- **Competitive Wages:** To the extent possible under all collective bargaining requirements, the district is able to offer all driver wages to be paid at a single hourly rate. There will not be lower Commercial Charter or Non-Revenue Rates, as applicable.
- **Stretch-Pay:** To the extent possible under all collective bargaining requirements and state wage laws, the district is able to offer stretch-pay on a voluntary basis to drivers based on a guaranteed minimum of hours worked. This would provide a steady level of income for drivers for all 52 weeks of the year. Additional hours and extra work would be provided in the next weekly paycheck.

- **New Buses:** All added school buses will be new! In addition, the district would explore using the budget savings to use clean burning, zero-emission propane school buses supporting the City Manager's Green Worcester Plan. All of the current buses (including the big buses) are gasoline and there are no diesel exhaust or EPA maintenance issues associated with these buses.
- **Customer Service:** All customer service questions can be addressed timely and at one location: There is no need to call contracted vendors or transferring calls. There would be better oversight and more timely resolution to any transportation issues from schools or parents.

Challenges to District-Operated Transportation

The following describes possible challenges with a district-operated student transportation system that the Superintendent, Finance and Transportation Departments have identified to date:

District-Operated Transportation Challenges



- **District Mission:** The district is not fully funded and is exploring a potential lawsuit regarding the foundation budget. The district priority in these circumstances is to focus on utilizing our resources to continue to improve our student outcomes.
- **Driver Shortage:** Additional recruitment and training requirements for the district: It is widely known that there is a national bus driver (and CDL driver) shortage. All school bus companies have the challenge to recruit and retain bus drivers to meet daily route needs. It is recognized that this challenge and responsibility would extend to the district in an expanded district-operated student transportation system.

**UPDATED TEN YEAR COST ANALYSIS
AUGUST 2021**

Original Analysis (September 2019): From gb#9-59, Page 8

Category	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Large Buses	\$7,962,793	\$8,201,677	\$8,447,728	\$8,701,159	\$8,962,194	\$9,231,060	\$9,507,992
Wheelchair	\$2,663,476	\$2,743,380	\$2,825,681	\$2,910,452	\$2,997,765	\$3,087,698	\$3,180,329
Mid Day Pre-K	\$101,233	\$104,270	\$107,398	\$110,620	\$113,938	\$117,357	\$120,877
Mid Size Bus	\$3,743,387	\$3,855,689	\$3,971,359	\$4,090,500	\$4,213,215	\$4,339,612	\$4,469,800
Special needs - Summer	\$391,941	\$403,699	\$415,810	\$428,285	\$441,133	\$454,367	\$467,998
After School Buses	\$83,921	\$86,439	\$89,032	\$91,703	\$94,454	\$97,288	\$100,207
Total Cost	\$14,946,751	\$15,395,154	\$15,857,008	\$16,332,719	\$16,822,700	\$17,327,381	\$17,847,203
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Over a ten-year basis, the district would recognize \$30 million in total savings, or on average \$3.0 million per year.

Based on current information the basis of district-operated cost estimates are as follows:

- Salary increases for all employees consistent with previous collective bargaining agreements with all employee groups.
- Health insurance increases by 5% per year.
- Fuel and maintenance costs escalate by 2.5% per year.

Updated Analysis (August 2021): Based on assumption of vehicles purchased using ESSER funding

Category	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Large Buses	\$7,962,793	\$8,201,677	\$8,447,728	\$8,701,159	\$8,962,194	\$9,231,060	\$9,507,992
Wheelchair	\$2,663,476	\$2,743,380	\$2,825,681	\$2,910,452	\$2,997,765	\$3,087,698	\$3,180,329
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Total Cost	\$14,946,751	\$15,395,154	\$15,857,008	\$16,332,719	\$16,822,700	\$17,327,381	\$17,847,203
District-Operated Costs	\$11,139,905	\$11,386,237	\$11,890,409	\$12,157,584	\$12,431,884	\$12,713,535	\$13,002,772
District-Operated Savings	\$3,806,846	\$4,008,917	\$3,996,600	\$4,175,134	\$4,390,816	\$4,613,847	\$4,844,431

Over a ten-year basis, the district would recognize up to a \$40 million in total savings, or on average \$4.0 million per year.