

BOARD OF EDUCATION
The School District of South Orange and Maplewood
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December 29, 2003

TO: Members, Board of Education
Peter P. Horoschak, Superintendent

FROM: Karla Milanette, Business Administrator
Peter Daquila, Assistant Business Administrator
Tom Cunningham, Director Transportation and Custodial Services

SUBJECT: BUDGET DEVELOPMENT REPORT: TRANSPORTATION
SERVICES

The Board of Education requested a recapitulation of prior work done on transportation efficiency, exploring the relative advisability of contracting out routes versus using our own staff for busing in preparation for upcoming budget discussions. The following report was prepared by a committee comprised of Tom Cunningham, Director of Transportation and Custodial Services, Peter Daquila, Assistant Business Administrator and Karla Milanette, Business Administrator. The report is divided into four sections: A description and analysis of how current transportation services are delivered, a discussion of budget impacts on the delivery of transportation services, and a discussion of contracting routes versus providing the service using district owned buses.

It is intended to be an informational report for decision-makers and the general public to better understand the district's custodial and maintenance operations. The purpose of this report is informed decision-making only. No recommendations for any changes to the current operations are provided at this time.

INTRODUCTION

The Transportation Program is an integral part of the South Orange Maplewood School District. It is a non-academic program that represents a significant portion of the Districts' budgeted expenditures. More than 2,000 residents are provided transportation to and from school or aid in lieu of transportation at a cost of more than \$3,800,000 or five percent of the 2003-2004 total General Fund budgeted expenditures. The Board must provide the pupils transportation services in accordance with the policies that have been adopted to support the education program. The transportation costs that are attributable to Special Education are approximately \$2,300,000 of the \$3,800,000 total. This total includes salaries and benefits for the drivers and aides, the expense for the

contracted services for the special education students and maintaining the district buses used to transport these students.

This document is intended to identify the established criteria for receiving transportation services, provide information about the program and present the financial impact of adhering to the board policies regarding transportation services. It will also provide the details of the 2003/2004 transportation budget and list some items that will impact the 2004/2005 budget. A comparison of contracted bus routes versus district owned bus routes is also included.

ELIGIBILITY CRITERIA

Mandated (State Law): Transportation of Remote Students

The Board of Education is required to provide round trip transportation to and from school for resident elementary students (grades K-8) who live more than 2 miles from their assigned school and secondary students (grades 9-12) who live more than 2.5 miles from their assigned schools. (18A:39-1)

School	# Of Remote Students Transported
Columbia HS	25
Maplewood MS	2
South Orange MS	21
Clinton ES	0
Jefferson ES	144
Marshall ES	90
Seth Boyden ES	72
Tuscan ES	0
South Mountain	0
South Mountain Annex	26
TOTAL	380

Non-Remote Secondary Students Residing Less than 2.5 miles

The Superintendent may grant courtesy transportation to non-remote students requesting to walk to an existing remote bus stop near their home if there are empty seats on the bus. The only remote bus stops for Columbia High School are in the Newstead area.

School	# Of Non-Remote Students Transported
Columbia HS	11
TOTAL	11

Non-Remote Elementary Students Residing Less Than 2 Miles But More Than 1 Mile

Students are generally assigned to a school near their home and are not eligible for transportation. The district may assign a student to attend a school outside their home area for a specific reason such as the pairing of Jefferson and Marshall or to receive a service or program offered at another school such as English As A Second Language, or the Demonstration School. If the district makes the assignment and the school attended is more than 1 mile from the student's home, transportation is provided as long as the student continues to receive the service or remains in the program.

School	# Of Non-Remote Students Transported
Maplewood MS	0
South Orange MS	6
Clinton ES	29
Jefferson ES	122
Marshall ES	51
Seth Boyden ES	82
Tuscan ES	0
South Mountain	143
South Mountain Annex	87
TOTAL	520

Non-Remote Elementary Students That Require Transportation Due to Hazardous Routes

Students require transportation since their walking routes are deemed hazardous. This is shown for information purposes. The students have been included in the Non-Remote Elementary Students Residing Less Than 2 Miles But More Than 1 Mile category.

School	# Of students living less than 1 mile from school
Marshall (Redistricting)	24
South Mountain	75
TOTAL	99

Shuttles

A shuttle bus is provided between South Mountain and the South Mountain Annex. Kindergarten and first grade students in the South Mountain area walk to the South Mountain and are shuttled to the Annex. Students in grades 2-5 have the option to walk to the Annex and ride the shuttle to South Mountain. Shuttle bus service is also provided between Columbia High School and Montrose for students enrolled in the Alternative Program.

School	# Of students using shuttle service
CHS to Montrose	40
South Mountain to Annex	84
Annex to South Mountain	69
TOTAL	193

Special Education

Classified special education students may be transported according to their Individual Education Plan (IEP).

School	# Of Special Education Students Transported
Columbia HS	12
Maplewood MS	13
South Orange MS	17
Clinton ES	10
Jefferson ES	19
Marshall ES	57
Seth Boyden ES	0
Tuscan ES	33
South Mountain	0
South Mountain Annex	0
Out of District	118
TOTAL	279

Non-Public Schools

The maximum allowable expenditure for non-public school transportation for 2003/2004 is \$710.00. If the cost of transportation exceeds this amount, aid in lieu of transportation is provided to the student.

# Non-Public Schools	# Student Transported	# Paid Aid In Lieu
694	85	609

DISTRICT-OWNED BUS FLEET

The district currently owns and operates a fleet of 16 buses. A bus has an expected useful life of 12 years and according to state law the buses must be replaced after twelve years.

Year	Model	Size
2002	Blue Bird Bus	54 passenger
2002	Blue Bird Bus	54 passenger
2002	Blue Bird Bus	24 passenger
2002	Blue Bird Bus	24 passenger
2002	Blue Bird Bus	24 passenger
2002	Blue Bird Bus	24 passenger
2003	Blue Bird Bus	24 passenger

2003	Blue Bird Bus	24 passenger
2004	Blue Bird Bus	24 passenger
2004	Blue Bird Bus	24 passenger
2001	Blue Bird Bus	54 passenger
2001	Blue Bird Bus	34 passenger
1993	Chevy Bus	20 passenger
1995	Chevy Bus	54 passenger
1995	Chevy Bus	54 passenger
1996	Chevy Bus	54 passenger

The 1993 Chevy Bus must be replaced in 2004/05. This 20 passenger bus should be replaced with a 24 passenger bus. The projected cost of the new bus is \$45,000.00.

TRANSPORTATION BUDGET IMPACTS

Details of the 2003/2004 Transportation Budget are as follows:

Salary Expense	\$ 725,000
Benefit Expense	\$ 145,000
Special Education	\$1,661,000
Contracted Services	\$ 675,000
Aid-in-Lieu of transportation	\$ 506,000
Maintenance	\$ 40,000
Purchase 2 New Buses	\$ 92,000
Other	<u>\$ 17,000</u>
Total	<u><u>\$3,861,000</u></u>

There are over 1,100 children being transported by bus within the South Orange Maplewood School District.

The salary and benefit expense is for 15 drivers, 10 aides, a supervisor and secretarial support. The amount for special education is for transportation for the students that receive services out of the district. The contracted services amount covers 14 routes within the district and 1 route outside of the district. The district staff handles 19 routes (arrival and dismissal) and 8 mid-day routes. The aid-in-lieu of transportation is provided for over 700 students. The district owns and operates 16 buses. There are 6 - 54 passenger buses, 1 – 34 passenger bus, 8 – 24 passenger buses and 1 – 20 passenger bus.

Key items that will affect the 2004/2005 transportation budget:

- One bus needs to be replaced. A 12 year old 20 passenger bus should be replaced with a new 24 passenger bus. The projected cost of the new bus is \$45,000.00 and the bus has a projected useful life of 12 years.

- There is 1 special education route that is being serviced by contracted services. If there is the desire to handle this route internally an additional bus will need to be purchased and a driver and an aide will need to be added to our staff.
- The amount for Aid-in-Lieu of transportation has been increased from \$710 to \$751 per student. This will increase costs by approximately \$30,000.00.
- If the transportation guidelines and board policies remain constant for 2004/05 the costs for transportation will be approximately \$4 million.

CONTRACTED ROUTES VERSUS DISTRICT-OWNED BUSES

Contracted Routes

Cost of a tiered route (1 bus doing 2 routes) is	\$ 36,000
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Cost of a single route (1 bus doing 1 route) is	\$ 41,000
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In-House Routes

Regular Education Students

Driver (salary & benefits for 0.5 FTE)	\$ 27,000
Depreciation for bus (\$65,000/12 years)	\$ 5,500
Annual maintenance for bus	<u>\$ 5,000</u>

Total Cost - Regular Education Route	\$ 37,500
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Special Education Students

Driver (salary & benefits for 0.5 FTE)	\$ 27,000
Aide (salary & benefits for 0.5 FTE)	\$ 20,000
Depreciation for bus (\$45,000/12 years)	\$ 3,750
Annual maintenance for bus	<u>\$ 5,000</u>

Total Cost - Special Education Route	\$ 55,750
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Regular education uses a 54 passenger bus and special education used a 24 passenger bus.

As the above figures indicate for regular education students the in-house transportation is very competitive when compared to the contracted costs. The In-House costs increase by at least \$10,000 if a 0.8 FTE driver is used. However, this driver is then assigned to handle one of the eight mid-day routes, which in turn is more cost effective than having the route contracted. The transportation costs for Special Education is higher due to the door-to-door service and any other requirements that are stated in the IEP, which normally require an aide to be on the bus. In order to better control the transportation of

the special education students within the district in house buses provide the transportation except for one route. The Camptown Bus Company operates this one route via the Essex County Regional cooperative at a cost of \$40,000 per year. If the district desires to control this route internally an additional bus will need to be purchased and a driver and aide will need to be added to the district staff.

There are factors other than the dollar-to-dollar consideration in determining and comparing in-district transportation to contracted transportation.

District Operated PROS

- Control of vehicles, staff and routes
- Flexibility
- Staff loyalty
- Consistency in assignments (same driver on a route each day)
- Implementation of vehicle maintenance, cleanliness procedures and standards.
- Greater ability and ease of communication with the drivers.

District Operated CONS

- Vehicle Maintenance
- Organized labor, recruiting, hiring and training of staff.
- Capital investment in bus fleet
- Adequate secured space for vehicles to be parked and serviced.
- Time investment of administrative staff.
- School and community demands for vehicle usage.

Contracted Services PROS

- Staffing is the contractor's responsibility.
- Reduced capital investment.
- Reduced administration involvement.
- Less liability for vehicles.
- Reduced land and facility needs.
- Maintenance and age requirements of buses can be regulated via bid specifications

Contracted Services CONS

- Limited competition
- Diminished enforcement of student discipline guidelines with contracted employees
- Reduced ability to communicate with drivers.
- Vehicle no-shows.
- Enforcing vehicular requirements, maintenance and cleanliness standards.
- Risk of inflated prices for renewal and new routes.