

Utah Pupil Transportation Advisory Committee

August 3, 2015 – 9:00 a.m. until noon

The Leonardo – Auditorium

Committee Members in Attendance: Murrell Martin-USOE, Jackie Hardman-USOE, Matt White-USOE, Wynn Porter-Tooele SD, Kris Hadlock-Wasatch SD, Brent Bills-Washington SD, Augusta Henrie-Davis SD (for David Roberts), Joel Coleman-USDB, Natalie Grange-USOE, Von Hortin-USOE, and Tandalaya Stitt-USOE

Other Attendees: Letty Debenham-USDB, Derek Anderson-Uintah SD, Launi Schmutz-Washington SD, Troy Lindloff-Provo SD, Matt Gledhill-Nebo SD, Kyle Hosler-San Juan SD, Wayne Reese-Cache SD, Brett Baltazar-USOE, Ivan Christensen-Millard SD, and Debbie Soelberg-Jordan SD

- 9:00 Welcome Facilitator, Murrell Martin – USOE Pupil Transportation Specialist
Introductions of committee members and organizations they represent
- 9:10 Review of Statutory Authority and Purpose of Transportation Advisory Committee
- 9:15 Discussion of Roberts Rules of Order – *Murrell explained to the group that the intent was to model the order of the legislature and state board. He also explained that times were provided in the agenda for others in attendance to address the committee.*
- 9:20 Briefing on transition from last meeting to this point
- 9:25 Minutes review and approval – *Joel Coleman motioned to approve the minutes, and Wynn Porter seconded for them to go on the transportation website.*
- 9:30 Brief on Utah delegate team involvement with the National Congress on School Transportation (NCST) – *Utah has been highly involved in the process. Utah supplied input in student loading and unloading, in correcting a diagram that was incorrect in a previous publication, and on forward actions of the Congress to a national agency. The delegates chose the United States Department of Education.*
- 9:35 Time frame on 2016 Standards for Utah School Buses and Operations – *The Utah standards are based on a review of the 2016 Standards.*
- 9:40 Responding to Legislative Intent Language: USOE Associate Superintendent, Scott Jones
- 9:50 USOE Proposals for Consideration and Additional Ideas Discussion USOE Finance Director, Natalie Grange
There is some legislative intent language in one of the appropriation bills that requires the USOE to do an evaluation of the transportation formulas, and to bring recommendations to the committee. Our primary objective was to identify questions for the survey. There have been questions about transportation with charter schools. The passage of the dropout recovery bill has brought to light some issues surrounding special purpose or alternative schools and how we're addressing those. We're looking for comments, questions, and/or ideas that we could modify it. Nothing has been decided. We do not currently have recommendations.
- Existing formula efficiency incentives – *See attachment* Murrell Martin & Natalie Grange
 - Additional ideas for efficiency incentives discussion – *Data supports efficiency. The first day a district creates a new efficiency it realizes 100% of the efficiency. Joel asked if it would be counterproductive to create an efficiency when you expect a growth knowing that the funding is based on previous year operations. Brent explained that funding is close to 50%. The money you would be saving is yours, not the State's. There have been questions about Washington State's formula. Murrell explained that in discussions with Alan Jones the*

Washington State Director, their formula does incentivize highly efficient school district spending more to get up to the state average, and he verified that when they do, they are paid 100%. Also this pushes the state average up the next year inflating what they pay all districts. Murrell indicated that Alan reported that in similar urban districts in Washington, the range was from \$800 per student all the way up to \$2,400 per student. Their expected cost formula is available online. Natalie asked what the problems have been with the state average. She said it seems that large districts impact small districts, but not vice versa. Kris agreed that large district inefficiencies affect small districts. Brent explained that there are three ways to save money, and that that applies to one portion of the savings. Depreciation was dropped from the formula because of questions from state legislature. The question was whether the depreciation of on to and from miles or activity miles. Murrell explained that there was a time that odometer readings weren't collected so there wasn't a good way to track depreciation mileage.

- During the committee discussion, Wayne Reese stood and asked to be able to present. Jackie conferred with the committee since they were still in discussion and this was not on the agenda. Wayne was invited to approach the presentation chair so he could present to the committee, but declined. He expressed the need for a new formula. He feels like efficiency savings mean nothing when another district adds routes because of inefficiency. The efficiency savings have nothing to do with the formula. He thinks there are too many variables to say that a bus runs the same minutes every day. He feels that the increase in technology warrants a change. He proposed changing from funding the bus to funding the mileage of the student from the school. He feels that that data is more reliable than minutes. He also feels that that would solve the problem of urban vs. rural. Matt asked if this mileage formula would be for eligible students or actual ridership. Wayne thinks there's a way to include ridership in the formula. Derek agreed with looking at the distance a student travels. He explained that the current formula is transparent. He also explained that high density districts have a lot more stops, and that would make funding by student mileage unfair. Natalie's response to Wayne's proposal was that we do not currently have student addresses with the data we collect. That would require us to put more reporting on the districts. It would also create a substantial capital outlay cost. Kris thinks Wayne's idea would get more people involved in the decision making. It would get the principal involved. Natalie asked if the current formula makes everyone look the same. Murrell said the two different elements (miles and minutes) capture the related costs. Brent expressed concern with the effects of breaking open the formula. Von thinks that we need to go back and look at the concept of the base of the formula and maybe tier it. Wayne reiterated his idea of funding by student mileage. Matt explained that there isn't an incentive for efficiency with that formula. He also explained that the current formula monitors real data which makes it easy to identify inefficiencies. Wayne stated that inefficiencies in his scenario aren't felt by other districts. Natalie mentioned that you can't be equitable if you're funding on a district-by-district basis.
- Murrell shifted back to his assignment as chair and asked for the next item on the agenda.
- Dual use of data & benefits of real "unit measurement" data Matt White & Natalie Grange
We collect miles and minutes for to and from school, the number of students being transported, and the in-lieu-of services being provided. We also collect the odometer readings at the end of the year. This information can be easily confirmed, and we can tell how districts are doing with their projections. This makes it easy for districts to monitor changes. There was a question about what is done if there are inefficiencies discovered during an audit. Matt explained that there are penalties. Murrell further explained that this was a question taken to the auditors.
- Simplification /modification of transportation formulas – The current formula is based on real data, and not on projections.
- How in-lieu-of rates provide incentives for increased efficiency Murrell Martin & Natalie Grange

Murrell explained that this came directly from Senator Stephenson. He also mentioned that he gets numerous calls from parents complaining about the fairness of the rate. History has shown that higher rates generally garner higher participation. Launi mentioned that in calculating when it's most efficient to run a bus vs. paying in-lieu-of, it's cheaper for her to pay in-lieu-of up to 14 kids. Natalie explained that we need to come up with efficiency measures that we're comfortable with before the next legislative session. Murrell said that we need to figure out where the rate is. Murrell explained that the law says that every student that lives far enough is eligible for transportation. The most economical way is the school bus. Then you may look at a vehicle for less than ten students, or in-lieu-of. He also mentioned phone calls that he's fielded from parents that don't have a vehicle for in-lieu-of. He explained that he has told them that districts can be reimbursed at the in-lieu-of rate to pick up students. Brent mentioned a previous lawsuit where they were sued for not giving a higher in-lieu-of rate, which they won, and in that case the district was not responsible for sending a vehicle to transport them to a pickup location. Joel mentioned that it might be beneficial to give a range of rates from which local districts can choose. Washington SD offered to try to gather information, about rates, for another meeting. Natalie asked what districts wish was statute so they can be more efficient. Kris thinks there should be increased incentives and/or fines. Brent suggested looking at dead-head minutes and miles to see how big of a problem we actually have. Murrell said that he thinks that's something that the USOE can take on for the next meeting.

- State-wide set rate to insure uniform incentives discussion
- Comments from representatives of LEAs not represented on the Transportation Advisory Committee – Letty asked if there has been a study comparing contract costs to district costs. She also wanted to know if there was a comparison done on the quality. Murrell explained that a study was not done on a statewide level. Natalie also further explained that that decision is more of a local decision, so a statewide study wouldn't be done. Launi said the quality of service is good, but usually they have you sell your resources. The more you sell your resources, the worse the service tends to become. Murrell suggested districts interested in contracts to discuss it with other districts that have already utilized that service.
- Motions for recommended action by advisory committee

10:50 Presentation and Discussion of Survey Results

USOE Routing and Audit Specialist, Matt White

- Assessment of alternative programs and data associated with these programs Natalie Grange
 - Alternative High Schools – *Only 21 districts responded to the survey.*
 - *16 districts have programs in place / 5 have no programs*
 - *There were numerous ways to qualify for these programs – primarily referred by teachers, administrators, parents*
 - *5 districts provide transportation for these programs / 3 districts responded they do not provide transportation for these programs*
 - *3 districts have the alt. high school next to high school or within high school so students are able to take their regular buses*
 - *2 districts have students transfer from regular bus to bus that transports to ATC*
 - *1 district provides UTA bus passes/tokens*
 - *1 district states they will start providing transportation next year*
 - *1 district states they will start providing transportation if it becomes necessary*
 - *Costs ranged from approx. \$8,000 to \$600,000 for transportation for these programs*

Launi questioned where the funding came from. Brent worried about students with special ed. students going to an alternative school with an IEP. Murrell explained that you usually go with the IEP.

- Gifted or Talented Programs

- 1 district did not respond to questions regarding this category
- 6 districts have a centralized program / 8 responded they do not have a centralized program / 6 responded they do not have any of these programs / 1 responded they have programs based on the west and east side of district
- Testing/referrals are the primary qualification for these programs
- 3 districts provide transportation for these programs
- Costs ranged from approx. \$25,000 to \$115,000

Murrell mentioned that there are certain students in this category, more in the urban areas, function in a general education setting as well as this category. Natalie explained that she had the survey done because of the push back from charters regarding transportation. She explained that the issue was trying to differentiate between when transportation should be required, and when it should not.

- Dual Immersion Programs
 - 9 districts have dual immersion programs / 7 do not
 - 2 districts provide transportation – 1 for the original program / 1 for students who opted out of program
 - Only 1 district provided their costs, approx. \$18,000 for transportation
- Other Specialized Programs
 - Varied – results ranged from Latinos in Action to STEM programs to Adult Ed
 - About half provided transportation
 - Costs ranged from approx. \$4,000 to \$16,000
 - 1 district has students pay \$50 to offset costs for the bus
- Comments from representatives of school districts – Natalie mentioned the issue about the transportation levy. She said there's a problem with justifying a levy that no longer exists. She asked if it was an easy task to peel out what pieces are used for transportation. Brent said you could back into it pretty easily, but it hasn't been done because it hasn't been required. Natalie thinks that maybe a levy guaranteed program isn't the appropriate way to sell the reimbursements for activities. Brent suggested another way of looking at it; with the new funds going to board and board leeway guaranteed programs, you're really already guaranteeing that levy. Maybe we need to get some rural districts together and explain that the money is already guaranteed, and figure out a way to separate the funds out and provide help to the rural districts for those transportation needs. Natalie explained that on paper it appears as if we're paying districts more than the costs of the activities, which gives districts 100% reimbursement.

Natalie mentioned that charter schools are using the data points of how the formula creates efficiencies to say that they need help with transportation. She doesn't think adding charters to the to-and-from formula is this answer. This could create unintended consequences for the LEA side. She's not sure if they may need their own formula or not. Brent explained that districts' money comes from capital levy, and charters get money from local replacement levy. They have equivalencies of everything LEAs receive.

- Motions for recommended action by advisory committee - was deferred to the next meeting
- As Time Permits:
 - Presentation on how the USOE now captures a complete cost per mile on school bus depreciation
- Time and location of next meeting – August 18th, 1-3, was proposed for the next meeting.
- Adjourn at 12:00 noon

Utah State Office of Education (USOE)

Utah's Efficiency Incentive Formula



Why is Efficiency Needed?

- ▶ Utah has the highest number of students per capita in the United States.
- ▶ Utah also has the lowest number of wage earners per capita in the United States.
- ▶ Utah Public Education has to be highly efficient.
- ▶ Utah has a reputation for being highly efficient in public education.

Who is Efficiency Important to?

- ▶ Governor's Office of Management and Budget
- ▶ Legislative Fiscal Analyst
- ▶ Legislative Auditor
- ▶ Utah State Legislature
- ▶ State Auditor
- ▶ Utah State Board of Education
- ▶ Local School Boards
- ▶ Utah Tax Payers

How Efficiency is Incentivized

- ▶ Districts are paid in current year based on previous year operations (60 to 70% statute 85%)
- ▶ Any new efficiencies (savings) created in current year are realized 100% by the district
- ▶ Each year thereafter, the district is able to save at a rate of 30–40%
- ▶ In addition, they receive a relational % of the savings they generated back each year after in the redistributed allocations.

Lack of Efficiency is Discouraged

- ▶ Any unnecessary additional miles or minutes cost the district in the same year.
- ▶ Unnecessary additional miles and minutes cost both the state and the local school district each year after.

Washington State Expected Cost Formula

- ▶ Greater funds available for public education
- ▶ Funding targeted at 100%
- ▶ Uses multiple regression equations
- ▶ Uses coefficient variables for several factors
- ▶ Only statisticians understand the formulas
- ▶ Formulas are not transparent
- ▶ Several districts are upset with it presently
- ▶ Similar urban districts \$800–\$2400

How Expected Cost Formulas Promote Inefficiency

- ▶ Paid at the state average or at what you spent in the previous year
- ▶ Highly efficient districts who are below average are motivated to spend more and receive 100% of additional spending
- ▶ This motivated spending raises the average in the next year, and it promotes even greater inefficiencies in the next year

Comparisons

- ▶ Up to 85% in state code
- ▶ Always high incentive to create greater efficiency
- ▶ Average always kept low by high incentives to create efficiency
- ▶ Progressive efficiencies each year containing cost per student
- ▶ 100% with a law suite
- ▶ High incentive to spend more if below average
- ▶ Average always pushed up by inefficiency incentives
- ▶ Spiraling costs. Per student cost increasing & some out of control

Utah

Washington

Utah's Efficiency Incentive Formula

What More is Needed?

- ▶ Is there a need for additional efficiency incentives, or is there a need for a greater understanding of existing incentives?
- ▶ Is there a need for a formula change, or is there a need for 85% funding?
- ▶ How much latitude should local boards be given related to efficiencies of pupil transportation operations?