

EDMONTON PUBLIC SCHOOLS

December 14, 1999

TO: Board of Trustees

FROM: E. Dosdall, Superintendent of Schools

SUBJECT: Factors Influencing Student Transportation Fees

ORIGINATOR: G. Reynolds, Department Head

RESOURCE

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INFORMATION

This report has been prepared in response to questions raised by Trustee Dean regarding what can be done to stabilize transportation fees, what strategies the administration is pursuing to negotiate better transportation fees with key players, and how the board can support this work. The purpose of this report is to also provide trustees with a better understanding of the key factors influencing the increases and decreases of student transportation fees over the past several years.

Background

During the district's annual budget process, student transportation fees for the upcoming school year are set with reference to projected transportation expenditures and revenues. In accordance with the Student Transportation Regulation of the *School Act*, revenue generated from transportation fees is not to exceed the difference between the estimated cost of providing transportation and provincial transportation funding. The extent to which student fees increase or decrease annually is dependent on the level of provincial funding and on the district's overall transportation expenditure. It has been board policy since the 1994-95 school year not to use funds designated for the education of students to subsidize transportation. An alternative to raising student fees would have been to reduce existing transportation services established in support of district programs. For example, transportation serving regular program receiving schools, alternative programs, special needs programs, the Awasis program, and the sale of Edmonton Transit student bus passes in support of the district's open boundary policy. Rather than reducing existing transportation services, increasing student transportation fees was seen as a fair approach for generating additional revenue to offset a greater portion of the district's overall transportation expenditure.

The variance in student transportation fees from year-to-year reflects the differences in the amount of revenue required by the district to cover the shortfall between provincial funding and the district's overall transportation expenditure. Appendix I lists the student transportation fees

from 1994-95 through to 1999-2000. The fluctuations in student transportation fees during this period are attributed to significant revenue and expenditure changes.

Factors Influencing Student Transportation Fees

In order to address the issue of stabilizing student transportation fees, it is necessary to be aware of the contributing factors that are causing the revenue and expenditure changes. Outlined below are the key factors that are influencing transportation revenue and expenditures at this time, along with a brief description of the initiatives being taken by the administration to manage each of the issues:

1. Provincial Transportation Funding

The urban transportation block grant is the primary source of funding for student transportation. Provincial funds for transportation are provided in accordance with a block formula that takes into account the overall area of a jurisdiction, the number of schools and levels (i.e. elementary, junior and senior high), district enrolment, and special needs programs. The formula incorporates the assumption that the number of students requiring transportation will decrease when a new neighbourhood school is opened. As well, until a school population reaches an established threshold, it does not negatively impact the grant. In 1998-99 the district saw a reduction of \$575,000 in provincial funding for transportation. This was largely the result of the inclusion of the Argyll Home Education Centre as well as the inclusion of the three outreach centres. It is the administration's position that these sites should be granted special status, and excluded from the transportation grant calculation as they have no neighbourhood component, but rather, draw students from throughout the City.

Plan of Action: The administration has entered into discussions with representatives from Alberta Learning regarding the treatment of special schools, such as the Argyll Home Education Centre and the three outreach centres, in the urban transportation block grant calculation. At a recent meeting with Alberta Learning it was mutually agreed that criteria and definitions should be established to provide for appropriate and consistent treatment of special schools in the block grant calculation. The administration strongly disagrees that provincial funding for transportation should be reduced in support of creative programming, and is seeking retroactive transportation funding for the 1998-99 school year as the issue was brought to the attention of Alberta Learning in light of the anticipated grant for that year.

2. Edmonton Transit Student Bus Pass Sales

The district saw a major increase in Edmonton Transit expenditures of \$590,000 during the 1998-99 school year due to a significant increase in the number of students purchasing monthly Edmonton Transit bus passes. Review of the Edmonton Transit System recommended fare structure for the 2000-2001 school year, confirms that the City of Edmonton Transportation Department is recommending that the price of monthly student bus passes be increased from \$37.00 to \$38.00. The administration is opposed to the increase as it is unlikely that provincial transportation funding will increase sufficiently to cover the additional costs in the price of

monthly student bus passes, and will have no other alternative than to transfer the increase to students. The approach of both organizations is to work independently of each other, even though we share common customers. This is having a negative impact on ridership, quality of service, and on the cost of providing service.

Plan of Action: The administration believes that the current working relationship between Edmonton Transit and the district is not as effective as it could be, and has been working to build a stronger partnership in order to address a number of strategic issues of mutual interest. Issues include the fluctuating cost of transit passes, changes in ridership levels based on price elasticity, transit bus pass sales in schools, school start and end times, and flexible fare media. To this end, plans are being made for the administration to meet with senior representatives of the City of Edmonton Transportation Department to discuss the following:

- understanding each others interests, challenges and organizational goals;
- working more effectively together and building a stronger partnership; and
- establishing a new process to address strategic issues of mutual interest.

3. School Bus Contracts

The cost of school bus contracts has a major impact on district expenditures for transportation. School bus contractor rates for the 1997-98 school year increased significantly (22 per cent) over 1996-97 rates due to increased costs resulting from higher maintenance and safety standards for charter yellow school buses. The subsequent rate increases for 1998-99 (2.2 per cent) and 1999-2000 (0.6 per cent) were minimal in comparison. It is anticipated that contractor rates may increase sharply when public proposals for the provision of charter bus services are called in April 2000 for the 2000-2001 school year, as some contractors believe that current rates are below market cost.

Plan of Action: The administration will provide trustees with various alternatives to be considered for evaluating submissions and selecting prospective contractors prior to calling for proposals. It is the intention of the administration to perform a comprehensive financial analysis of the proposals to determine the overall financial impact in relation to the district's transportation requirements. The administration anticipates that awarding a larger portion of the transportation contract to fewer carriers may reduce contractor rates, however, other factors to be taken into consideration include:

- the proven long term ability of a carrier to provide high quality service;
- maintaining a competitive market; and
- continuity of service to students.

4. School Hours of Operation

School hours of operation influence student safety, quality of service, and the cost of providing transportation. With more schools requesting approval for early dismissals on selected days, and limitations associated with co-ordinating school start and end times with transportation services, it is becoming increasingly difficult to utilize existing school bus and Edmonton Transit bus fleets in the most efficient and cost effective manner. As a result, passenger

overcrowding on public transit buses is common, specialized routes cannot be designed so students have fewer transfers and shorter travel times, and it is often not possible to replace charter bus service with Edmonton Transit service as the public transit operating fleet is fully utilized.

Plan of Action: The flexibility to co-ordinate transportation services with school hours of operation is essential to accommodating the transportation needs of students travelling to and from district programs, and for managing transportation resources effectively. A project is being undertaken by the administration involving the Initiatives and Innovation Principal Committee to define critical issues related to school hours of operation, and to determine the parameters from which alternative school times should be approved.

5. Charter Yellow School Bus Service

The district provides charter yellow bus service to designated receiving schools for students when Edmonton Transit is not adequate, for students attending elementary alternative programs, for students attending the elementary Awasis program at Prince Charles, and for students who are not able to manage public transit due to physical, mental, or emotional disabilities to attend designated programs. The number of students supported by charter yellow school bus service has steadily increased over the past several years and has impacted the transportation expenditure. In particular, the number of students with special needs receiving curb service transportation has increased from 2,000 students in 1996-97 to over 2,500 students in 1999-2000. The type of program supported by charter bus service (i.e. regular, alternative, Awasis, and special needs) is also important due to differences in the cost of providing the services, the criteria used to determine who receives the service, and the student fee.

Plan of Action: The administration is working on a project to provide principals with information on a monthly basis on the cost of providing transportation services (i.e. fixed route, special needs, and parent arranged transportation) for students at their school. The purpose is to provide principals with background information on transportation expenditures to assist in making decisions regarding transportation services for students at their respective schools.

Supporting the Work Through District Wide Perspectives

Over the past several years, student transportation fees have fluctuated as a result of significant revenue and expenditure changes. Although the results of the initiatives being undertaken by the administration to manage transportation revenues and expenditures are not known at this time, the intention is to reduce and stabilize student transportation fees. The following would enhance the long-range success of the initiatives being undertaken by the administration to manage the key factors impacting transportation revenue and expenditures:

- increased understanding and awareness by district staff on how decisions made at the school and Central Services levels impact transportation revenue and expenditures;
- building stronger partnerships with the key stakeholders such as the Alberta Learning and the City of Edmonton Transportation Department; and

- pro-actively marketing the transportation opportunities that the district offers to students in support of district programs.

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Appendix I - History of Monthly Student Transportation Fees