



To: Dr. Mike Riggle
Board of Education

From: Dr. R.J. Gravel

Date: Monday, February 25, 2019

Re: Transportation Fee for the 2019-20 School Year

Recommendation

It is recommended that the Board of Education approve a student transportation fee structure for the 2019-20 school year as follows:

- \$800.00 for individual riders;
- \$400.00 for sibling riders.

Background

Over the past two years, the Finance Committee has been studying the student transportation system that is funded primarily through the sale of bus passes. The committee has analyzed bus pass purchase trends, daily ridership data, and other models of transportation systems utilized by neighboring school districts. A goal of reviewing this data has been to further improve the efficiency and features of our transportation system, while keeping the cost of the bus pass as low as possible. As a direct result of these efforts, we have made several changes to how the transportation system and bus pass program have been structured (e.g. implementation of a new routing software solution, offering of the FirstView bus tracking and communication service for parents, enhanced activity bus schedule).

In our efforts to continually improve the transportation experience for students and families, the Finance Committee discussed several options for the upcoming school year. Of the options evaluated, the following have been recommended:

- **Eliminate the Contingency Budget (\$30,474 for the 2019-20 school year)**
Historically, the school district has provided for an additional to/from route in the calculation of the bus pass fee. This enabled the transportation coordinator to add a new bus route should there be an increase in the ridership for a given school year.

In reviewing historical data, our ridership has remained consistent (approximately 1,000 riders each school year), and we have not needed to utilize the contingency budget. As a result, it is recommended that the contingency budget consideration be removed in the calculation of the 2019-20 bus pass fees.

- **Eliminate the Late Purchase Surcharge (20% of Regular Individual Rate)**
In an effort to identify the number of students that would be ride the bus for the upcoming school year, the school district incentivized the early purchase of bus passes. Those families purchasing a bus pass prior to June 3rd would be charged the regular rates, whereas families purchasing a

pass on June 4th or later would be charged a 20% late purchase surcharge. The rationale for the surcharge was that the school district needed to know how many students would be riding the bus, prior to committing to a specific number of routes in July for the entire school year.

As stated prior, our historical data indicates that ridership has remained consistent (approximately 1,000 riders each school year), with a blend of families purchasing their pass before/after the June 3rd incentive period. Recognizing the consistency in ridership, it is recommended that the late purchase surcharge be eliminated. At the same time, the school district will update its bus pass informational literature to emphasize the importance of purchasing a bus pass prior to July 15th, which is the date when routes are configured and the number of buses is confirmed with our transportation provider. This transition will enable families an additional month and a half to purchase their bus pass, without financial penalty.

- **Review the Subsidy per Rider to Minimize Fee Impact to Households**

As a result of negotiations with our transportation provider in February 2017, the school district's transportation expenses increased by 16.8% for the 2017-18 school year. Recognizing the impact of such an increase to the bus pass rates, the Board of Education approved the subsidization of the bus pass fee in the amount of \$69.08 per pass (decreased actual pass cost from \$819.08 to \$750.00). This practice was repeated for the 2018-19 school year when the Board subsidized the cost in the amount of \$71.65 per pass (decreased actual pass cost from \$846.65 to \$775.00).

For the 2019-20 school year, the actual cost of a bus pass is \$853.26. In following our process from the past two years, I have offered three potential subsidy scenarios:

\$78.26 per Pass = \$775.00 per Pass Cost

\$53.26 per Pass = \$800.00 per Pass Cost

\$28.26 per Pass = \$825.00 per Pass Cost

The Finance Committee has recommended that the full Board of Education consider the possibility of subsidizing the bus pass for the upcoming school year. As a result, this will be a topic for discussion on Monday evening.

Attached to this memo is the financial calculation for the 2019-20 to/from school transportation budget, and resulting bus pass cost. The recommended changes described above have been highlighted in **yellow**. I have also included a document previously shared with the Finance Committee, which illustrates historical ridership trends over the past 6 school years.

Proposal

Student To/From School Transportation Expense 2019-20 School Year

| | | # of Routes | Daily Rate | Daily Cost | Annual Cost (178 School Days) |
|--|-------------------------------------|-------------|------------|------------|---------------------------------------|
| Purchased Services | AM To/From School Routes | 24 | \$85.60 | \$2,054.40 | \$ 365,683.20 |
| | PM To/From School Routes | 24 | \$85.60 | \$2,054.40 | \$ 365,683.20 |
| | Late Activity To/From School Routes | 8 | \$85.60 | \$684.80 | \$ 121,894.40 |
| | | | | | \$ 853,260.80 |
| Contingency Budget for To/From School Transportation Expenses | | | | | \$ - Elimination of Contingency Route |
| Total Student To/From School Transportation Purchased Services Expenses | | | | | \$ 853,260.80 |

Bus Pass Fee Calculation

| | |
|--|---------------------------|
| Total Number of Riders (Includes All Students Regardless of Payment Tier) | 1,000 |
| Calculated Cost Per Rider (Total FY2019 Expenses / Total Number of Riders) | \$ 853.26 |
| Board Subsidy Per Rider to Minimize Fee Impact to Households | \$ 53.26 Possible Subsidy |

| | |
|--|------------------|
| Cost Per Rider for the 2019-20 School Year | \$ 800.00 |
| Cost Per Day (Cost Per Rider / 178 School Days) | \$ 4.49 |
| Cost Per Trip (Cost Per Rider / 356 Trips) | \$ 2.25 |

Potential Subsidy Scenarios

| Based on Student Fee | | | |
|--------------------------------|-----------------|-----------------|-----------------|
| <i>Cost Per Rider</i> | \$775.00 | \$800.00 | \$825.00 |
| <i>Board Subsidy Per Rider</i> | \$ 78.26 | \$ 53.26 | \$ 28.26 |
| <i>Total Cost of Subsidy</i> | \$ 78,260.80 | \$ 53,260.80 | \$ 28,260.80 |

Proposal

**Bus Pass Fees
2019-20 School Year**

Base Regular Individual Rate: \$800.00

Late Purchase Surcharge (20% of Regular Individual Rate): \$160.00

Sibling Discount (off Individual Rate) 50%

| | | Full Pay | Financial Assistance (Reduced)* | Financial Assistance (Free) | |
|---|-----------------|-----------|---------------------------------|-----------------------------|--|
| | | Pass Cost | Pass Cost | Pass Cost | |
| Regular Purchase (By June 2nd) | Individual Rate | \$800.00 | \$400.00 | \$0.00 | |
| | Sibling Rate | \$400.00 | \$0.00 | | |
| Late Purchase (June 3rd and Later) | Individual Rate | \$960.00 | \$480.00 | \$30.00 | Eliminate "Late Purchase"; Routing <u>Will Be</u> Based on Passes Purchased by July 15th |
| | Sibling Rate | \$480.00 | \$30.00 | | |

* Board Policy 8320 Procedures provide a bus pass at 50% of the Board-approved fee for one student in the qualifying household; subsequent students in the qualifying household will be provided a bus pass at no charge. Online purchase discount is applied at the sibling rate.

Proposal

**Estimated Student To/From School Transportation Expense and Bus Pass Sales
2019-20 School Year**

| | | Full Pay | | | Financial Assistance (Reduced) | | | Financial Assistance (Free) | | |
|---------------------------------------|-----------------|-----------|------------|-------------------|--------------------------------|-----------|------------------|-----------------------------|------------|-------------|
| | | Pass Cost | Count | Revenue | Pass Cost | Count | Revenue | Pass Cost | Count | Revenue |
| Regular Purchase (By June 2nd) | Individual Rate | \$ 800 | 478 | \$ 382,400 | \$ 400 | 65 | \$ 26,000 | \$ - | 415 | \$ - |
| | Sibling Rate | \$ 400 | 42 | \$ 16,800 | \$ - | 9 | \$ - | | | |
| Late Purchase (June 3rd and Later) | Individual Rate | \$ 960 | 0 | \$ — | \$ 450 | 0 | \$ — | \$ 30.00 | 0 | \$ — |
| | Sibling Rate | \$ 480 | 0 | \$ — | \$ 30 | 0 | \$ — | | | |
| | | | 520 | \$ 399,200 | | 74 | \$ 26,000 | | 415 | \$ - |

| | |
|-------------------------|-------------|
| Total Bus Passes | 1009 |
|-------------------------|-------------|

| | | |
|--|-------------------|--|
| Collected Revenue | \$ 425,200 | <i>This is bus pass revenue from collected student fees.</i> |
| Board Subsidy Per Rider to Minimize Fee Impact to Households | + \$ 53,739 | <i>This is not revenue, this is an expense.</i> |
| District Subsidy for Full-Pay Sibling Riders | + \$ 16,800 | <i>This is not revenue, this is an expense.</i> |
| District Financial Assistance Expense for Reduced Benefits | + \$ 33,200 | <i>This is not revenue, this is an expense.</i> |
| District Financial Assistance Expense for Free Benefits | + \$ 332,000 | <i>This is not revenue, this is an expense.</i> |
| Total Collected Revenue and Financial Assistance Expenses | \$ 860,940 | |
| Less Transportation Expenses | - \$ 853,261 | |
| Surplus/Deficit | \$ 7,679 | |

| |
|----------------------------|
| Total Board Expense |
| \$435,740 |

**Student To/From Transportation Services
Historical Bus Pass Sales**

Total Ridership by School

| | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 |
|-----------------|------------|------------|-------------|------------|-------------|-------------|
| Glenbrook North | 277 | 265 | 279 | 316 | 333 | 295 |
| Glenbrook South | 665 | 699 | 726 | 670 | 730 | 714 |
| | 942 | 964 | 1005 | 986 | 1063 | 1009 |

Total Ridership by Lunch Status

| | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 |
|----------|------------|------------|-------------|------------|-------------|-------------|
| Full Pay | 419 | 436 | 490 | 471 | 539 | 538 |
| Free | 413 | 426 | 468 | 399 | 440 | 401 |
| Reduced | 110 | 102 | 47 | 116 | 84 | 70 |
| | 942 | 964 | 1005 | 986 | 1063 | 1009 |

Sibling Ridership

| | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 |
|----------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Sibling Riders | 48 | 43 | 20 | 48 | 78 | 89 |

Total Enrollment by School

| | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 |
|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Glenbrook North | 2066 | 2087 | 2038 | 2049 | 2023 | 2058 |
| Glenbrook South | 2753 | 2736 | 2895 | 3026 | 3128 | 3140 |
| | 4819 | 4823 | 4933 | 5075 | 5151 | 5198 |

Ridership by School as a % of Enrollment by School

| | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 |
|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|
| District-Wide | 19.5% | 20.0% | 20.4% | 19.4% | 20.6% | 19.4% |
| Glenbrook North | 13.4% | 12.7% | 13.7% | 15.4% | 16.5% | 14.3% |
| Glenbrook South | 24.2% | 25.5% | 25.1% | 22.1% | 23.3% | 22.7% |