State Education Finance Study Commission

Issue Paper: Pupil Transportation
Transportation Funding Components

- Regular Operations (160–5–3–.11)
  - Driver Salary/Benefits
  - School bus liability insurance
  - Drug testing
  - Operation

- Capital Expenditures
  - Bus Replacement

- Other
  - Extended mileage for special needs
  - Sapelo Island
Regular Operations: Driver Salary/Benefits

- Driver Salary/Benefits (160–5–3–.11)
  - Salary: $8,749.80
  - Social Security: $669.36
  - Sick Leave: $125.00
  - Required Medical Exam: $30.00

- $9,574.16/allotted bus
Regular Operations: Liability Insurance

- School Bus Liability Insurance (160–5–3–.11)
  - $139–$500/allotted bus
  - Based upon actual local cost in FY10

- Reimbursement Rate:
  - $139 per bus for systems paying up to $199
  - $200 per bus for systems paying up to $299
  - $300 per bus for systems paying up to $399
  - $400 per bus for systems paying up to $499
  - $500 per bus for systems paying over $500
Regular Operations: Drug Testing

- Drug Testing (Federal Requirement)
- $53.00/allotted bus
  - Pre-Employment
  - Random
  - Post-Accident
  - Reasonable Suspension
  - Return to Duty
Regular Operations: Operation

- **Operation (160–5–3–.11)**
  - Four categories determined based upon utilization
    - Number of unduplicated students per bus in survey
    - Systems ranked by utilization
    - Divided into four equal groups of “like” school systems

- **Actual 2009–10 expenditures and mileage of local systems**
- **Includes cost of fuel, oil, tires, parts, shop salaries, etc.**
- **Used to determine category cost/mile for 9 different bus sizes**
- **Operation $ = $ Survey miles x cost/mile for assigned category & specific bus size**
Capital Expenditures

- **Bus Replacement (160–5–3–.11)**
  - Reimbursement life of 8, 10, 12, or 14 years
  - Annual payment based upon current average bus cost divided by replacement years
  - Student Transportation Survey establishes maximum number of reimbursable buses
  - Buses older than those in replacement life not eligible for payment
Other

- Extended Miles 160-5-3-.11
  Paid for bus use beyond time and mileage requirements
    - Special Needs
      - Beyond average of 15,000 miles/bus
    - Vocational funding
      - No funding in 10-11 per 20-2-188
    - Transporting residential students to State Schools
      - 14 round trips per year
Student Transportation Survey

- This survey is the basis for the formula
  - Determine route mileage used in operation allocation
  - Determine number of buses/drivers to be funded in allocation
Student Transportation Survey

Many factors involved in process
- Bus inventory/capacity
- Road patterns
- Traffic
- Number of stops
- Schools served
- Bell schedules
- REQUIRED working time of 1½ hours in A.M.
Student Transportation Survey

- Walking distance to school, for allotment
  - One and one-half (1½) miles measured by roadway
  - Limit does not apply to special needs

- School bus stops for allocation purposes
  - No more frequent than every one-tenth of a mile
  - Students walk up to .5 miles
  - Actual stop locations determined by LEA
Status of Funding Surveys

- Should be updated every five years
- Required for 178 school districts
  - 148 systems in excess of ten years old
  - 54 systems fourteen or more years old
Formula Funding in FY11

- $295 million earned by local systems (LEAs)
- $133 million appropriated*
- $162 million deficit is up $103M (175%) from $59M in FY06*
  - Allocated by reducing operating funds by 71.5% and eliminating bus replacement totally
- *Does not include $25M in Bond Buses
Formula Funding in FY11

- Driver Salary/Benefits: No Reduction
- School bus liability insurance: No Reduction
- Drug testing: No Reduction
- Operation: Reduced 71.5%
- Bus Replacement: Reduced 100% ($50m bonds)
- Other: Reduced 71.5%
- Based on outdated survey information (3,143 buses not funded)
Formula Funding in FY11

- Operations Funds Earned: $144,634,347
- Operations Funds Allotted: $41,244,075*
  - Funded at 28.5%
- Bus Replacement Funds Earned: $59,404,202
- Bus Replacement Funds Allotted: $0*
  - Funded at 0%
  - *Received $25M in bonds not included
## Funding History

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>State Funds Appropriated</th>
<th>Bond Funds for Buses</th>
<th>Total Actual Expenditures (includes Local)</th>
<th>% State Funds</th>
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<tbody>
<tr>
<td>FY 96</td>
<td>$139.3M</td>
<td>0</td>
<td>$285.6M</td>
<td>49%</td>
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<td>FY 00</td>
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<td>$351M</td>
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<td>FY 04</td>
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<td>FY 07</td>
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<td>FY 09</td>
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<td>FY 10</td>
<td>$141.4M</td>
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<td>FY 11</td>
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<td>FY 12</td>
<td>$130.3M</td>
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<td>Pending Receipt</td>
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## Diesel Fuel Trends

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<tr>
<th>Year</th>
<th>Marietta City</th>
<th>Haralson</th>
<th>Cherokee</th>
<th>DeKalb</th>
<th>Bartow</th>
<th>White</th>
<th>Average Cost</th>
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<tr>
<td>2001</td>
<td>$0.98</td>
<td>$0.88</td>
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<td>$0.90</td>
<td>$1.00</td>
<td>$1.02</td>
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<td>$0.98</td>
<td>$1.00</td>
<td>$0.94</td>
<td>$0.99</td>
<td>$1.06</td>
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<td>$1.60</td>
<td>$1.43</td>
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<td>2005</td>
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<td>$2.40</td>
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<td>$2.02</td>
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<td>$2.38</td>
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<td>$2.30</td>
<td>$2.36</td>
<td>$2.12</td>
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<td>2011</td>
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<td>$3.25</td>
<td>$3.14</td>
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Diesel Fuel Trends (Cont’d)
Safety: Seat Belts

- National Highway Traffic Safety Administration (NHTSA) denies petition for mandating seat belts
  - Found no “safety problem supporting a Federal requirement for lap/shoulder belts on large school buses, which are already very safe”
  - Increased costs could reduce school bus ridership, resulting in more students finding alternative, less safe means of getting to or from school
  - “When alternative means are used, the risk of traffic-related injury or fatality to children is greater than when a large school bus is used.”
Safety: Stop Arm Violations

- 152 Systems participated in survey
- 4629 stop arm violations reported
- Loading and unloading is the most dangerous time for students
Safety: 1.5 Mile Rule

- State only funds transportation for students 1.5 miles from school
- In reality, most systems provide and fund transportation for students in that zone
For Consideration

- Wide variety of funding mechanisms at the states
  - Some states fund nearly all transportation costs (e.g. Delaware), while some don’t fund at the state level at all (e.g. Iowa)
  - 32 states provide funding through categorical programs (like Georgia), and 16 provide funding through their state's foundation program
  - Overall, providing funding through categorical programs as compared to including funding within foundation programs does not have a significant impact on the actual criteria that are used to determine funding levels
For Consideration

- Many systems, including a few within Georgia, have privatized their pupil transportation
  - In Florida’s school districts, most reported positive results from privatizing.
  - Benefits reported included
    - Cost savings
    - Improved quality of services
    - Reduced administrative burden
    - Reduced capital outlay for bus purchases
    - Improved ability to handle student population growth
For Consideration

- Several Georgia systems are installing stop arm cameras
Questions?

- Does any member have any questions on the contents of the presentation?
- Which areas would you like further information or research?