

A 2020 VISION

FOR PUBLIC EDUCATION in ULSTER COUNTY

Regional Pupil Transportation: The Promise of Collaboration

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**The Center for Research, Regional Education and Outreach, SUNY New Paltz
Ulster County School Boards Association**

Regional Pupil Transportation: The Promise of Collaboration

Yellow school buses are an iconic symbol of schooling in America. Each and every school day, across New York, hundreds of thousands of students are bused to school in them. Yet when seeing a school bus pass, or waiting behind one as it picks up or drops off a child, few think about how this service is organized, or its cost. In Ulster County, school transportation—sometimes delivered through contract, sometimes directly with district-owned buses—is provided on a district-by-district basis. And the cost is considerable. In 2012-13 operating and maintaining those yellow buses accounted for about 6 percent of the average Ulster County school district budget; the total expenditure for all eight school districts in the County was \$29,642,319.^{1,2}

The governor's *Property Tax Freeze Credit*, passed in 2014, “encourages” collaboration among school districts and municipalities to achieve cost savings;³ transportation is one area with potential for savings from such collaboration.⁴ In fact, regionalizing the school transportation function has for some time been a focus of efforts by the State Education Department (SED) to find efficiencies in school district operations.⁵ In 2010, Governor Cuomo authorized the Commissioner of Education to conduct pilot studies to assist school districts in regionalizing transportation functions. Almost 20 percent of education-oriented grants submitted to the Local Government Efficiency Grant Program through 2011 proposed to examine some aspect of school transportation.⁶

There is solid basis for this focus; experience shows that collaborative transportation initiatives consistently reduce costs and streamline effectiveness.⁷ Exact savings for Ulster County are difficult to quantify without in-depth study,

but even a conservative estimate of 5% savings from collaborating on transportation among Ulster County school districts would yield approximately \$1.5 million in savings.

To be sure, Ulster County school districts already share some transportation functions, including collaborating on bus routes for students with special needs who attend out-of-district schools. This policy brief examines additional areas of collaboration. It summarizes other school districts' experience with regional transportation initiatives, including benefits of, and barriers to, these efforts, and provides a framework for thinking about such collaboration in Ulster County. It is the work of the School and School District Structure study group, a subcommittee of *A 2020 Vision for Public Education in Ulster County*.

A 2020 Vision for Public Education in Ulster County got its start at a symposium convened in November, 2013 under the sponsorship of the Ulster County School Boards Association and the Center for Research, Regional Education and Outreach (CRREO) at SUNY New Paltz. The purpose of the symposium was to begin the process of proactively shaping a vision for public education in our county's communities. Stakeholders from eight Ulster County school districts gathered to use a regional lens to engage questions of teaching and learning, accountability, and school and school district structure. The School and School District Structure study group, with participation from stakeholders with diverse perspectives and from multiple Ulster County school districts, continued this work through monthly meetings. Participants identified and researched issues for further consideration by the larger *2020 Vision* group. Regional transportation is one of these issues.



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School Transportation in New York State

In New York State, 2.5 million children are transported to and from school each day via public school district transportation; 88 percent of those transported are public school students, 12 percent are students who attend non-public schools. In 2012-13, the statewide expenditure for transportation was \$2.9 billion, about \$1.5 billion of which was aidable.^{8,9,10} The New York State Department of Education estimates that transportation costs grow about five percent each year.¹¹

The public school transportation function is comprised of multiple elements. The major ones are:

- hiring, training, supervising and paying for buses and bus drivers;
- purchase, maintenance and inspection of buses;
- storage of vehicles;
- coordination of bus routes for general education, special education, and non-public school students, and special services, such as field trips and sports events; and
- purchase and storage of fuel and bus parts and supplies.

Across New York State, school districts manage their pupil transportation in varied ways. Some districts rely wholly, or in part, on public transportation. The vast majority, however, bus students to school. Some school districts own their buses while others contract with private companies for long-term rentals. Some school districts hire and train their own drivers and manage maintenance and inspection of buses while others work with private contractors or through Boards of Cooperative Educational Services (BOCES) for some or all of these services. The administration of the transportation function can vary as well; in some school districts it is done by specialized staffing, in others it is one of several duties of an assigned administrator.

The statewide variation in the administration of transportation is reflected in Ulster County. Here, some school districts own their own buses and hire and train their own drivers, while others contract with private companies (see Table I). Some districts rely on Ulster BOCES for bus driver training. Each school district independently coordinates schedules and routing, maintenance, supply purchasing and storage. Within Ulster County, there is already an effort to maximize the efficiency of bus runs, particularly through sharing routes for students with special needs who attend out-of-district schools.

ULSTER COUNTY SCHOOL DISTRICT TRANSPORTATION SPENDING, 2012-13

DISTRICT	TRANSPORTATION SPENDING ¹²	SPENDING AS % OF BUDGET	SQUARE MILES
Ellenville	\$3,124,135	7.58%	135.1
Highland	\$1,497,033	4.08%	43.6
Kingston	\$7,335,187	4.84%	98.7
New Paltz	\$3,458,713	6.95%	82.7
Onteora	\$3,541,921	7.53%	282.0
Rondout	\$3,120,966	5.56%	152.6
Saugerties	\$3,227,599	5.76%	75.8
Wallkill	\$4,336,765	7.01%	82.5
Total	\$29,642,319		953.0
Mean	\$3,705,290	6.16%	119.0

Source: Proximity One, proximityone.com; personnel correspondence, September, 2014.

Achieving Economies of Scale Through Regional Transportation

There are several different models of regionalizing transportation, ranging from full-scale consolidation to partial consolidation through collaboration on specific transportation functions. The most effective mode for a particular locale is dependent on several factors including: demographics, population density, special education population and services, proximity to out-of-district non-public and special education schools, land/facility availability, and geographic circumstances.¹³ Regardless of approach, research shows reduced costs and streamlined effectiveness, to varying degrees, stemming from transportation collaborations. Both partial and full consolidation approaches save money.¹⁴

Experience in New York suggests that the transition to a regional transportation model is a slow process that evolves incrementally and may take several years. It may begin, for example, with a pilot test of joint busing of specific student groups, such as non-public school students, and then expand to include centralized service sharing for other functions, such as routing or maintenance, before settling into full consolidation.

Or, in some cases, districts determine that the end goal is consolidation of only some transportation functions, and that full consolidation is not a viable option for them. Moreover, experience suggests that regional coordination of school calendars and school start and dismissal times—with non-public schools as well—can help facilitate shared transportation services.¹⁵

For school districts that regionalized some or all transportation functions, savings were realized in the following areas:

- ❖ **Sharing staff:** School districts have achieved savings by centralizing and sharing staff. One team of transportation administrators can manage and coordinate scheduling and bus runs for multiple school districts or the entire region, rather than having staff in each district. Two districts in Herkimer County, Johnstown and Gloversville, saved over \$100,000 annually through shared staff. Centralizing maintenance staff can enable training in new technologies and also yield higher efficiency per technician. A centralized staffing system could streamline recruitment and result in more full-time positions, particularly for bus drivers and maintenance staff, thus making it easier to hire and retain staff in these positions.



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- ❖ Reducing ghost runs (empty bus runs): Analyzing routes on a regional basis can help reduce the amount of time that a bus has no passengers for both general and special purpose transportation. Efficiencies can be obtained by sharing busing for out-of-district special education placements as well as non-public schools, athletic events, after school and extra-curricular activities, and transportation to BOCES. GPS software that enables the coordination of scheduling and routing is a critical tool here and, when expanded to include the entire region, can help to identify the most efficient way to transport students within and across district lines. The Hamilton-Fulton-Montgomery BOCES realized \$300,000 in savings through reductions in ghost runs alone. Regulatory barriers, to be discussed in further detail later in this paper, inhibit full realization of efficiencies in this area.
- ❖ Consolidating storage, maintenance, and fueling: A central facility, or even two or three shared facilities located around the county and shared by proximal school districts, can facilitate shared maintenance and inspections, as well as the coordinated purchase, storage, and allocation of spare parts. This would reduce duplication in the purchase of repair and maintenance equipment, spare parts, and storage facilities.¹⁶
- ❖ Non-monetary benefits: Finally, there are several non-financial benefits to consolidating the transportation function, including potential reduced carbon emissions and shorter ride times for some students. Unified substitute lists, driver certification and attendance verification can also help to streamline operations.
- ❖ Aid penalties: State transportation aid is calculated by applying standard formulas to the real dollar amount that a district spends on transportation. A reduction in overall expenditures due to collaboration would result in reduction in state aid. However, it is likely that in net terms the savings could exceed the aid penalty. Moreover, school transportation experts caution that transportation aid is not always what it seems; “elements of a [transportation] program are not “aidable” if they involve services which are considered voluntary (not mandated by the State). Examples of non-aidable services include sports trips (known as other purpose miles), and transportation for students who live less than 1.5 miles from school (known as non-allowable miles).” In an analysis of possible collaboration among four NYS school districts, these same experts found that, “The impact of these non-aidable services can result in an effective aid rate that is 14 to 23 percent less than the stated aid rate.”¹⁷ Further, aid formulas would have to be determined for a consolidated system, given that the standard formulas use the district as their basic unit.¹⁸
- ❖ State regulations: There are several regulatory constraints to sharing transportation services. For example, districts are prohibited from sharing transportation of students on privately-contracted buses without a contract that specifies this intention (this is known as piggybacking). This prevents sharing of existing routes (for example, if students in two districts are newly-assigned to the same school for special placement). But even in the case of new contracts, districts are often reluctant to construct a competitive bid with a shared route because such a bid would likely be for a shorter amount of time and serve fewer students (students with special needs in a placement that may change in the future) and thus come in at a higher price. It is worth noting, however, that individual district ownership does not preclude inter-district cooperation in all instances.

Obstacles to Regional Transportation

If Ulster County schools districts should decide to seek a higher level of cooperation in pupil transportation, they should do so with knowledge of the major obstacles to implementation. History informs us of the following issues that can stand in the way of effective and efficient school district cooperation in this area.

- ❖ **Contracts:** Sharing staff will require attention to union contracts. Harmonization of salaries and benefits could mean levelling-up to the highest rate among participating districts. Moreover, established contracts often have provisions against “outsourcing,” which have been used to challenge the implementation of shared service agreements. Consolidating employment under a BOCES can address some labor issues to a certain degree. Because contracts are so varied and contextual, the degree to which they present challenges—and the solution to those challenges—is highly dependent on the particular contracts and arrangements already in place.



A critical question to consider is what level of transportation cooperation might be right for Ulster County school districts.

- ❖ **Comfort with current system:** Many school districts are comfortable with the way that transportation is currently managed within their districts; they have established systems that work well and that have managed the transportation function for years. In addition, some districts have specialized programming (e.g., “Responsive Classroom” in New Paltz). It will be important for scaling-up efforts to allow for this and other types of locally instituted programming.

Further, coordinating transportation functions can be a lengthy process that appears daunting at first, especially when it necessitates difficult decisions such as the potential reduction of staff. To assist with the implementation process, some regional efforts have included “community coordinators” who assist with the transition to a regional model by acting as liaisons between the community (including school boards) and the centralized transportation administration.

Considerations for Ulster County: Consolidation or Cooperation?

A critical question to consider is what *level* of transportation cooperation might be right for Ulster County school districts. A closer examination of the transportation landscape may reveal the County would most benefit by cooperating in a selection of functional areas or in particular geographic areas. Alternatively, it could reveal the utility in full consolidation complete with cooperative bus ownership and administration. Identifying the most efficient cooperative mix, and quantifying savings that would accrue from such a cooperative structure, will require in-depth study of the particulars in each of the eight school districts in the County. Such a study must also consider the most appropriate mechanism for managing this cooperation; whether through BOCES, by one of the school districts, or an independent consortium or transportation authority. Finally, the best process for, and steps involved in, moving to a regional transportation model must also be carefully considered by Ulster County school districts.

Models of Regionalized Transportation

Several school districts in New York State are currently collaborating, through their local BOCES or through other arrangements, in the provision of transportation services. Here we provide case studies.

Hamilton Fulton Montgomery (HFM) BOCES

HFM BOCES has recently implemented a full scale merger between the school transportation functions in Johnstown and Gloversville. This merger was precipitated by a study of the separate districts’ transportation programs, which found problems with districts’ accounting for transportation aid, a significant number of near-empty bus runs, and generally inefficient management. The study also found that facilities and maintenance processes were operating poorly, spare buses sat unused, stockpiles of bus parts sat unused and staff time was inefficiently allocated.

As a result of these findings, the two districts coordinated through BOCES to combine their transportation programs. This was a two-year process. In the first year, BOCES merged management and maintenance, centralizing supervisory staff and moving all operations to a joint maintenance facility. Whereas previously, each district had its own supervisor and support staff, the merger established a single consolidated staff system, which resulted in savings in salary and benefits. The utilization of GPS software improved the routing of buses and in the maintenance department, maintenance procedures were reallocated through a standardized system. Taken together, these actions yielded \$850,000 in savings for participating school districts.

In the second year of the merger, BOCES focused on labor issues. Union contracts were renegotiated to centralize employment under BOCES, allowing for better communications across different operational areas and unified employee management. This action, essentially completed the merger and yielded savings of \$500,000.

To date, the joined system owns and operates 80 buses. It transports over five thousand pupils to public school, extra-curricular activities, athletic events, and BOCES programs. In addition to the obvious financial benefits, the merger established centralized driver and substitute lists, reduced carbon emissions, and improved safety standards.¹⁹

Eastern Suffolk BOCES

This cooperative arrangement allows fifty-one districts in Suffolk County to share costs of transporting students enrolled in vocational tech programs and special education programs. Joint bidding on transportation contracts allows districts to minimize the number empty seats on a given bus. Eastern Suffolk BOCES, in addition to achieving economies of scale through bulk contracting, coordinates schedules and routing. The maintenance process, driver certification, and student attendance verification have been centralized. The program saves a minimum of 50 percent of costs on up to 200 runs annually.²⁰

Southeast Rockland Region

School districts in southeast Rockland conducted a feasibility study, with funds from the New York State Department of State's Local Government Efficiency grant program, on regionalizing their individual transportation systems. The resulting study recommends a staged process that would ultimately result in full consolidation of Rockland's student transportation. The first stage involves establishing a cooperative transportation office to coordinate short term sharing of cross-district bus runs and cooperative bidding on special purpose transportation. This office would be the precursor to a fully centralized transportation staff—if districts were pleased with the results of this first collaborative experience and decided to move forward with consolidation. Subsequent stages of the merger include finalizing the centralization of regional transportation staff, coordination of facilities, and coordination of school district schedules. To date, the districts have established a short-term transportation administrator as a first step in implementing this study. This office has begun to coordinate shared services between component districts, with plans toward full regionalization in the future.

The study projects that, once fully merged, the "Rockland Regional Transportation Program" could save 10 to 20 percent of the districts' combined \$12 million budget; a savings of between \$1.2 and \$2.4 million.²¹

Outside of New York State

Out-of-state examples, while undertaken under different legislative frameworks, also demonstrate significant cost savings. New Jersey's Sussex County Regional Transportation Cooperative has grown to span six counties, servicing seventy-seven school districts. It reported a savings of \$1.3 million in the 2010-11 school year.²² Rhode Island provides an even larger example. In 2009, the state began a process to centralize its school busing systems statewide, beginning with students who attend out-of-district schools and with plans to expand, ultimately, to all of the state's districts.²² It was estimated that savings would reach \$4 million statewide, with full implementation.

Conclusion and Next Steps

Research suggests regionalizing transportation is an area with great potential for efficiencies. Given the current economic climate, including pressure from the Property Tax Freeze Credit, further discussion and research into the feasibility of regional transportation in Ulster County is warranted. Ulster County school districts could, collectively, commission a study by a school transportation expert of the possibilities for and savings that could be derived from, regional school transportation in this area. New York State's Local Government Efficiency grant program is one potential source of funding for such a study. The history of school districts that have been awarded funds to study consolidated service delivery suggests that a consortium of Ulster County School Districts would likely produce a highly competitive application for such funds.

The School and School District Structure study group anticipates that the issue of regional transportation will be a central subject of thoughtful, measured deliberation at the reconvening of *A 2020 Vision for Public Education in Ulster County* in December 2014.

For additional copies of this policy brief, please contact Christine Wilkins at wilkinsc@newpaltz.edu or view the on-line version at www.newpaltz.edu/crreo.

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- ¹ Aggregated from the NYS Comptroller Local Government Division.
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- ² For the purposes of *A 2020 Vision for Public Education in Ulster County*, we focus on the eight school districts that are component districts of Ulster BOCES. These include Ellenville Central School District, Highland Central School District, Kingston City School District, New Paltz Central School District, Onteora Central School District, Rondout Valley Central School District, Saugerties Central School District, and Wallkill Central School District
- ³ New York State Department of Taxation and Finance, Property Tax Freeze Credit Guidance, July 14, 2014, pp. 3.
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