

Plum Borough School District Transportation Review



**Visitation Conducted
March 30 – 31, 2017**

Pennsylvania Association of School Business Officials

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INTRODUCTION

Under the direction of the Pennsylvania Association of School Business Officials (PASBO), a team of two school business officials, recognized as experts in the field of school district business operations, was assembled to conduct a transportation review for the Plum Borough School District. This review was at the request of the School District. The following individuals comprised the Study Team:

Wayne McCullough, DBA, PRSBA

Dr. McCullough is the Director of Leadership and Development for PASBO. Prior to his current position with PASBO, Dr. McCullough was the Chief Financial & Operations Officer and Board Secretary at the Southern York County School District. As Chief Financial & Operations Officer, he was responsible for all business functions, human resources, technology, operations and maintenance, food service, student transportation, public relations and marketing, safety and security, and community education programs. Southern York County School District was awarded PASBO's Gold Award of Excellence in School Facilities in 2010 and again in 2013.

Dr. McCullough has served as President, Vice-President, and a Director on PASBO's Board, Chair of PASBO's Facilities Committee, and Chair of PASBO's Materials Management (Purchasing) Committee. Dr. McCullough is the author of the "Elements of Facilities Management" and co-author of the "Elements of Student Transportation." He received PASBO's 2003 Award of Achievement in recognition of the outstanding practice: "A Guidance Document for Planning, Design, and Construction of Major Projects Using the Design Team Concept and the 2013 Award of Achievement for the program, "Cooperative Services Agreement between Two Non-Profit Organizations." Dr. McCullough was named the 2013 recipient of PASBO's prestigious Gary Reeser Memorial Award, for the outstanding school business official in Pennsylvania.

Dr. McCullough serves as an adjunct professor for Wilkes University's Master of Business Leadership program – developing curriculum and teaching courses related to facilities management, student transportation, technology, and purchasing.

Jennifer Grove, PRSBO

Jennifer Grove is the Director of Transportation at the Warwick School District in Lititz, PA. Prior to this position, Ms. Grove was the Accounting Supervisor/Director of Transportation at York Suburban School District for 16 years. Ms. Grove is a member of PASBO's Transportation Committee. Ms. Grove holds a Bachelor of Arts degree in Organizational Management from Eastern University, and an Associate's Degree in Accounting. Ms. Grove is a 19-year member of PASBO, a member of PASBO's Lancaster-Lebanon Transportation Chapter and an instructor at PASBO's School Operations Academy held at State College.

BACKGROUND

Student Transportation Services

The Plum Borough School District (PBSD) is located in southwestern Pennsylvania, approximately 13 miles east of Pittsburgh. The School District has four elementary schools (Center, Holiday Park, Pivik, and Regency Park) for grades K through 6, one junior high school (A.E. Oblock) for grades 7 and 8, and one senior high school (Plum Senior High School) for grades 9 through 12. The district services approximately 4,100 total students with a faculty and staff of over 500.

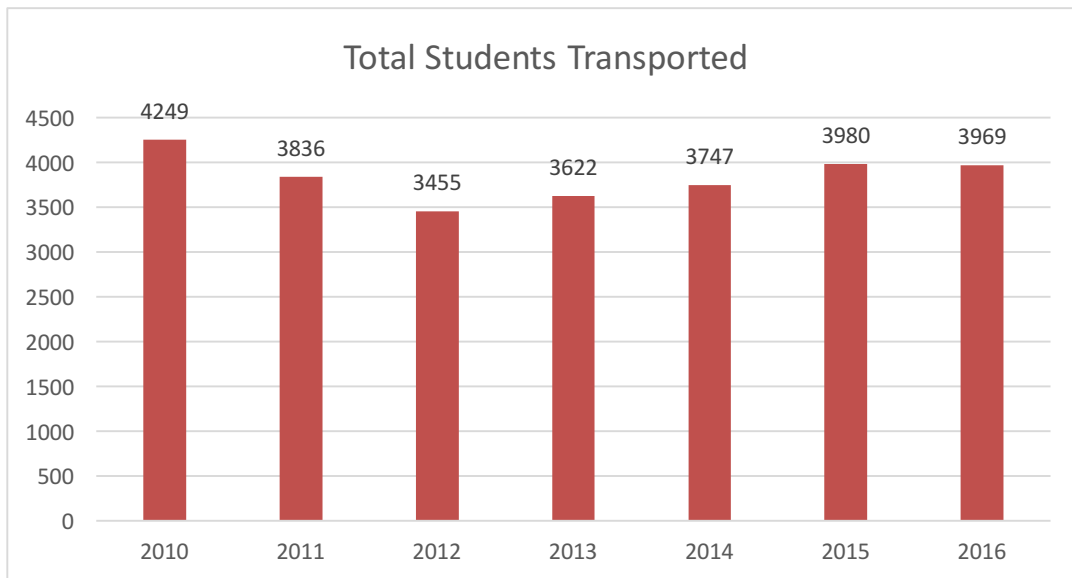
The Transportation Department provides daily transportation services to the 6 schools within the District, and over 42 schools outside of the district. The buses will travel approximately 716,000 miles per year.

The PBSD operates approximately 52 school bus runs and 11 mid-day runs, per school day. Additionally, extracurricular, sporting, and special bus runs are used as required to service the District extra-curricular and co-curricular program. The District employs 55 regular bus drivers, 8 bus aides and 3 mechanics, along with a list of substitute drivers and aides. Currently, there are 62 vehicles in the school bus fleet along with 7 other owned vehicles.

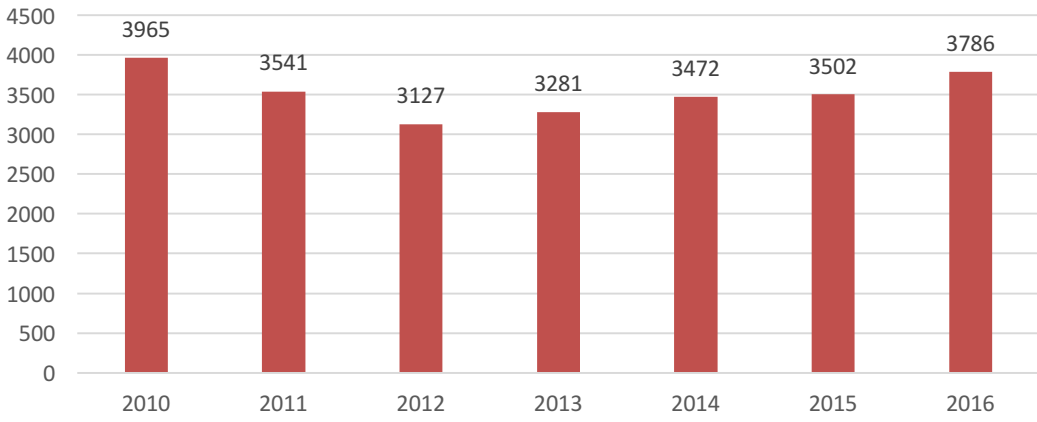
The transportation system operates on three tiers with bell times as follows:

High School	7:28 a.m.	2:15 p.m.
Junior High School	8:05 a.m.	2:50 p.m.
Elementary Schools	8:55 a.m.	3:30 p.m.

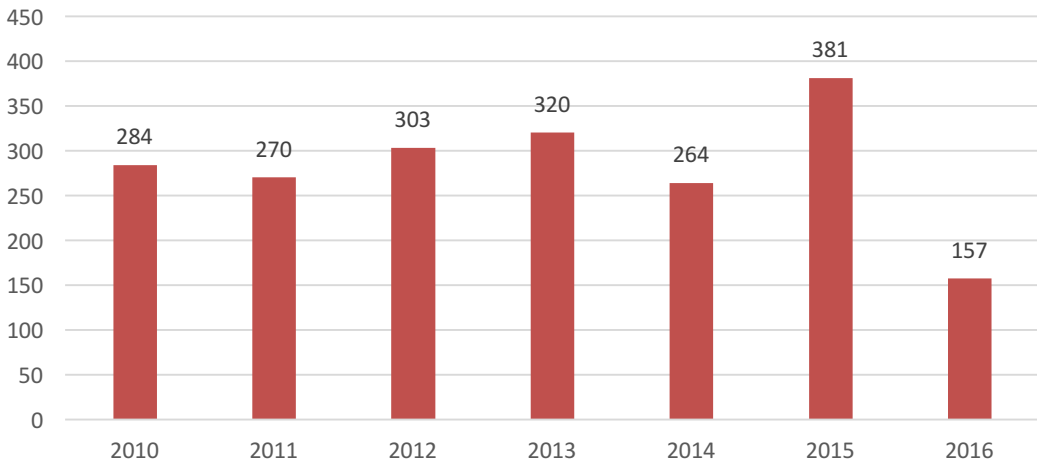
Students Transported

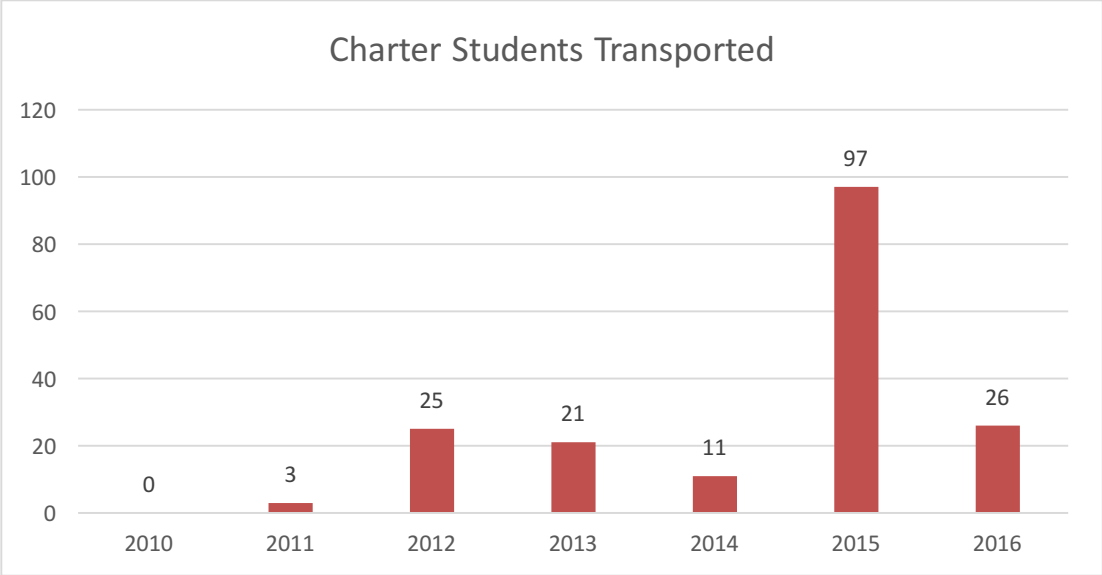


Public Students Transported Less Charter Students

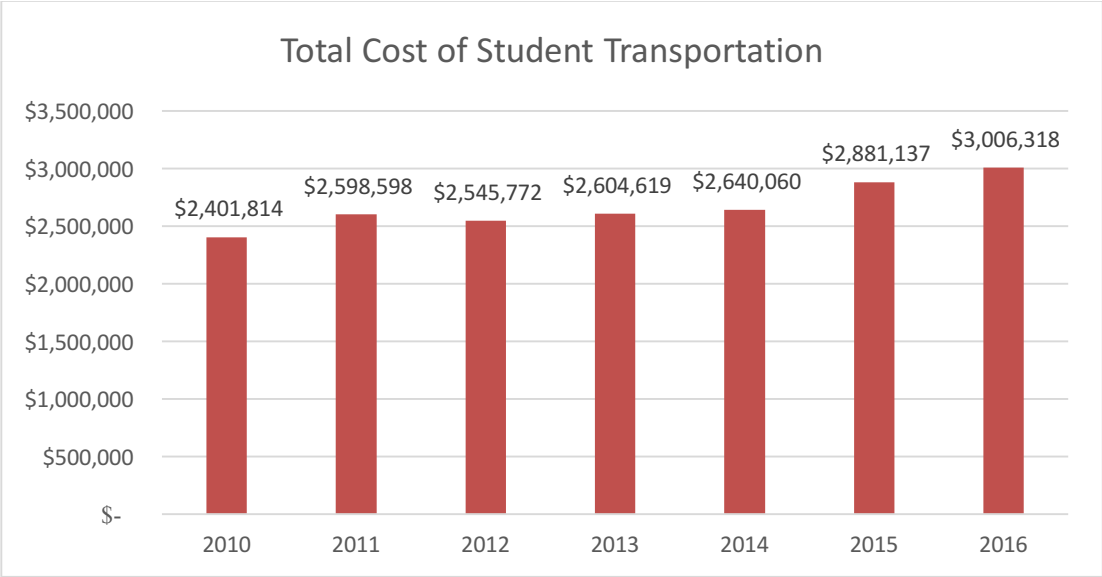


Non-Public Students Transported





Total Cost of Student Transportation

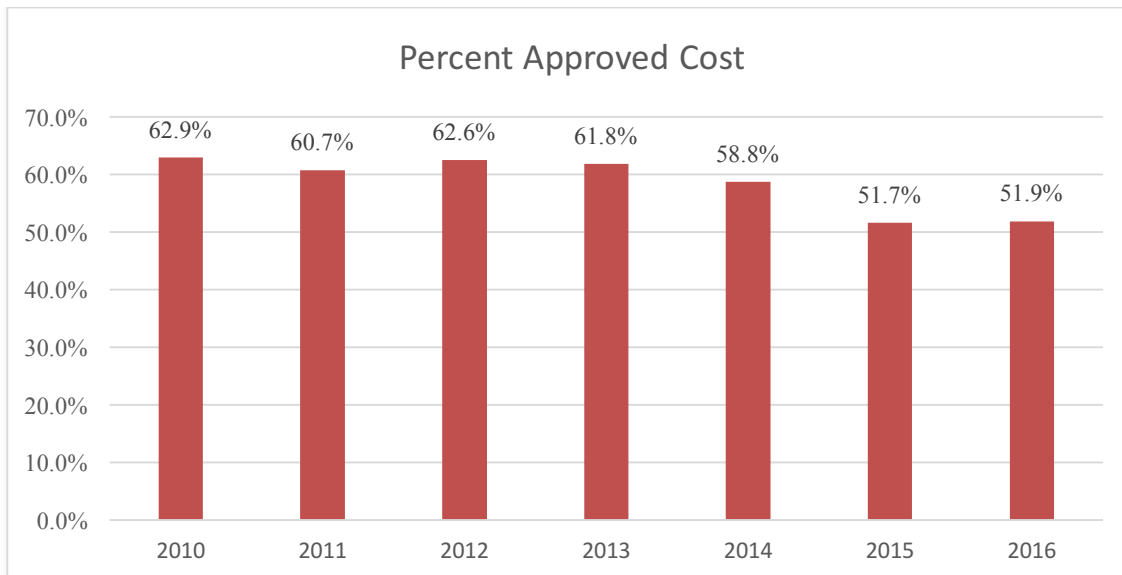


Approved Cost

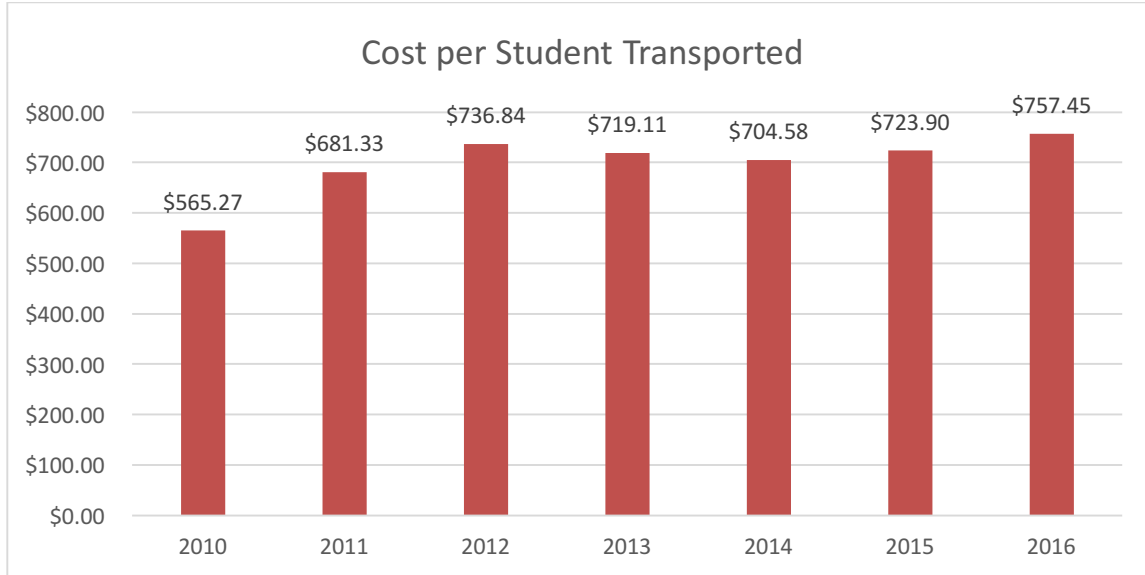


Percent Approved Cost

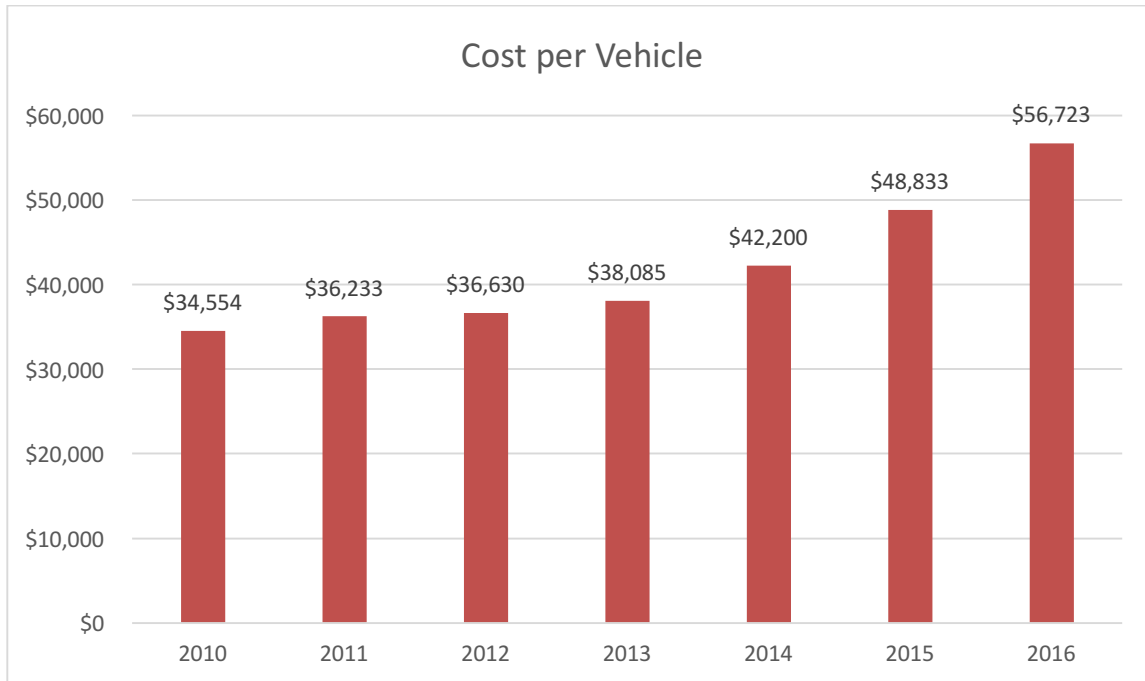
According to the Pennsylvania Department of Education, the total cost for PBSB in year-end 2016 was \$3,006,318, while the total approved cost was \$1,560,293. The total approved cost is the maximum amount the school district can consider as being subject to the pupil transportation subsidy calculation. The total approved cost is a function of the age and size of the vehicles, the mileage traveled with and without students, and the number of pupils assigned to the vehicle. Allowances are increased each year by a transportation cost index established by PDE using the percentage change in the December to December Consumer Price Index (CPI-U).



Cost per Student Transported

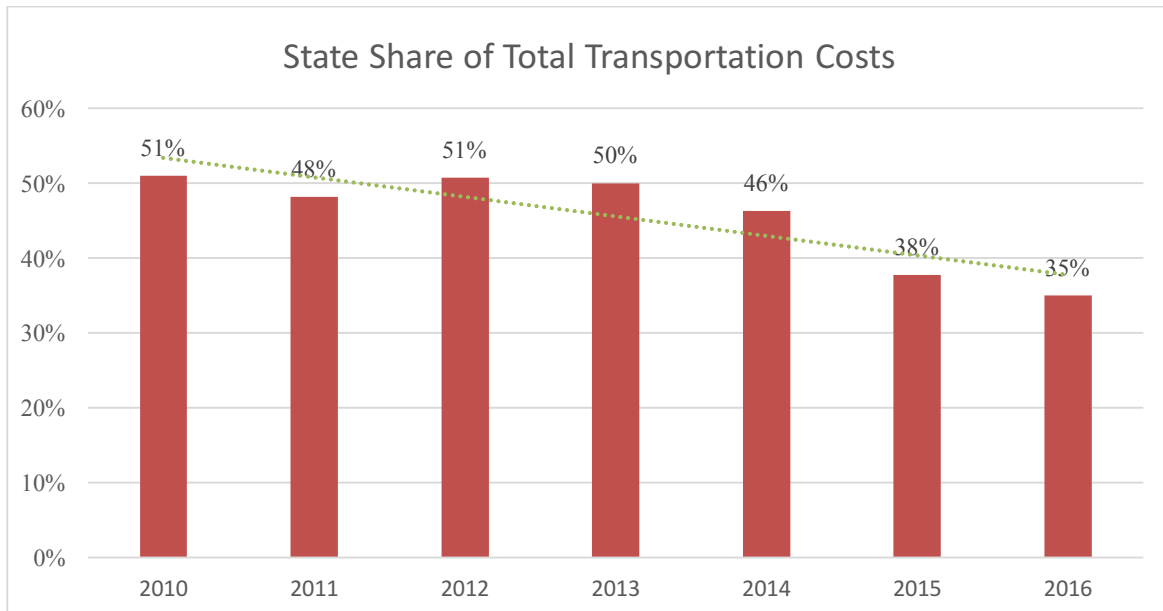
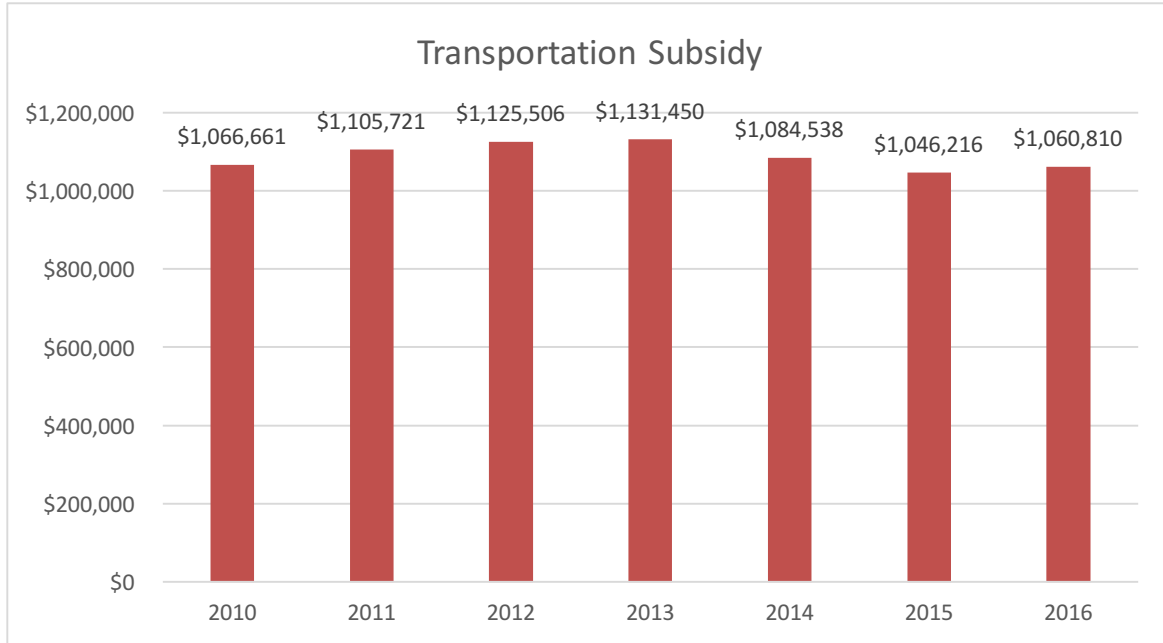


Cost per Vehicle



Transportation Subsidy Analysis

The state share of transportation cost for PBSB in year-end 2016 was \$1,060,810. The state share of total transportation costs is 35%.



OBJECTIVES AND METHODOLOGY

Qualified consultants and team members under the direction of the Pennsylvania Association of School Business Officials conducted a study of the transportation operations of the Millcreek Area School District as described below:

I. SCOPE OF WORK

- A. Coordinate with the Superintendent and the Business Manager prior to starting this project to define the project goals and objectives.
- B. Analysis and review of district transportation reports to identify the vehicles loaded as near capacity as possible, mileage with pupils exceeds mileage without pupils wherever possible, and aging vehicles for replacement.
- C. Review current bus fleet as it relates to age of fleet and planned replacement cycle.
- D. Provide for in-depth interviews with Superintendent, Business Manager, Coordinator of Federal Programs/Transportation, Supervisor of Special Education, and other transportation personnel as deemed appropriate.
- E. Provide a comprehensive on-site review of the transportation operations.
 - 1. Analyze the routing of vehicles and schedules for arrivals and departures from school buildings.
 - 2. Validate the route mileage and record-keeping practices of the transportation department.
 - 3. Review the district transportation map and compare to the current operation. Analyze the efficiency and utilization of the current transportation routing software.
 - 4. Check the transportation policy to ensure transportation practices comply with district policy, and identify policy language that supports or detracts from implementing cost efficiencies in the transportation operation.
 - 5. Review the major routes of non-reimbursable pupils, and determine if the district should apply for hazardous routing identification for these routes.
 - 6. Identify high net cost transportation practices for cost/benefit consideration by the district.
 - 7. Review transportation staffing to ensure recommendations are based on availability and efficient utilization of personnel.
 - 8. Review computerization of non-routing operations.
- F. Provide an exit conference prior to leaving the district.
- G. Prepare a comprehensive report with recommendations to obtain transportation cost efficiencies.

- H. Upon completion of the review, a draft of the report will be delivered and reviewed with the Superintendent, Business Manager, and other administrators as directed.
- I. Fifteen (15) copies of the approved final report will be provided.

II. The following is the list of individuals who were interviewed by the Study Team during the visitation:

- A. Dr. Timothy Glasspool, Superintendent
- B. John Zahorchak, Director of Business Affairs
- C. Michael Brewer, Director of Administrative Services
- D. Scott Mergen, Transportation Director
- E. Tim Olszewski, Transportation Dispatcher/Router

III. The following is a list of individuals who attended the Study Team's Exit Conference on March 31, 2017:

- A. Dr. Timothy Glasspool, Superintendent of Schools
- B. John Zahorchak, Director of Business Affairs

IV. The list of documents viewed by the PASBO Study Team as part of this review:

- A. Activity Bus Logs: February 2017, March 2017
- B. Tier Sheet
- C. Vehicle Mileage Sheets: February 2017, March 2017
- D. Vehicle Equipment List November 2, 2016
- E. Hazardous Information Verified by Penn DOT
- F. Monthly Calendar with Bell Times for March 2016
- G. October 1, 2016 Enrollment
- H. Bell Time Schedule: Plum Borough Schools, Private Schools, Parochial Schools and Charter Schools
- I. PDE 2576 Summary of Pupil Transportation Subsidy: Years 2013/2014, 2014/2015, 2015/2016
- J. Current Bus Runs/Route Sheets

STATE SUBSIDY

The Public School Code authorizes partial reimbursement of a school district's cost of transporting elementary students who reside *one and one-half miles or more* from the school in which they are enrolled and secondary students who reside *two miles or more* from the school in which they are enrolled. In addition, subsidy is paid for students residing within those distances if they would have to walk along a route certified as hazardous by PennDOT because of road or traffic conditions (Note: Hazardous Routes & Reporting is also covered below). The basic transportation formula includes the cost of transporting public and non-public school students. The appropriation recognizes differences in geography, population density, wealth, and other factors between school districts. The funding also extends to intermediate units and vocational-technical school transportation.

In addition to the basic transportation funding described above, the State provides supplemental funding for transportation of non-public students. This funding is in recognition of the extra financial burden imposed by Section 1361 of the Public School Code requiring transportation of resident students to non-public schools within ten miles of a district's borders.

A 2011 Transportation Survey conducted by PASBO showed that district owned transportation operations received an average of 23% transportation subsidy while school districts that contracted transportation operations received an average of 44% subsidy. This difference is because the State funding formula has a bias towards contracted operations.

STATE SUBSIDY RECORD KEEPING AND AUDIT PREPARATION

The Bureau of School Audits is an agency of the Pennsylvania Auditor General's department, an agency independent of PDE, but required to report its findings for disposition. Schools must be audited annually, but often two or three years are audited at one time and sometimes several years after actual operations.

Preparing for the auditor begins during the year of operation and with the proper maintenance and assembly of records, a transportation audit should be routine. Remember, the auditor is going from the report back to the documentation and said documents should be organized to support every number on the report. These numbers are difficult to reconstruct after the fact, and should be collected and filed accordingly. Records should be maintained for at least six years, or until they are audited, whichever is later.

Recommendation: It is the observation of the Study Team that State audit record keeping should be improved. The School District reported that processes have recently been put in place for improved record keeping, including monthly bus mileage data and student rosters. In addition, hazardous routes records need to be improved.

Record keeping and preparing for the State auditor is covered in depth below.

Essential Terms

Administrative unit – A school district, intermediate unit or area vocational technical school.

Age of a vehicle – The remainder determined by subtracting the year of manufacture of the chassis from the calendar year in which the school term of usage ends. For example, if the chassis of a bus was manufactured in 2002, the bus is considered to be seven years old in the 2008-09 fiscal for the purposes of the subsidy calculation. (2009 minus 2002 equals 7)

Approved daily mileage – The mileage a vehicle travels daily in transporting pupils to and from school, as approved by PDE. The number of miles approved without passengers cannot exceed the number of miles with passengers. For example if a bus travels 25 miles with students, but 30 miles without, the approved daily mileage would be 50, not 55.

Approved annual mileage – The product of the approved daily mileage times the number of days in the school term for which transportation to and from school was provided by a designated vehicle. For example, if the school term was 180 days and the approved daily mileage was 50, the approved annual mileage would be 50 times 180, or 9000 miles.

Approved Reimbursable Cost (ARC) – The maximum amount an LEA can consider as being subject to the pupil transportation subsidy calculation. ARC is a function of the age and size of the vehicle, the mileage traveled with and without students, and the number of pupils assigned to the vehicle. Allowances are increased each year by a transportation cost index established by PDE using the percentage change in the December to December Consumer Price Index (CPI-U).

Excess cost – Portions of the transportation subsidy that ensures no district expends more than one-half mill of market value in support of the approved cost of pupil transportation.

Fractional Adjustments – One or more of four fractional adjustments that may be applicable to an individual vehicle's service statistics. The four adjustments are: **(1) shared service** – applicable if the same vehicle is used by more than one LEA (district, IU, AVTS); **(2) mileage** – applicable if the "approved daily miles" number is less than 20; **(3) day** – applicable if "days of service" are less than the full school term; and **(4) trip** – applicable if a vehicle was used for only one trip per day taking students one way (to or from school, but not both).

Hazardous routes - Subsidy is paid for students residing within those distances if they would have to walk along a route certified as hazardous by PennDOT because of road or traffic conditions.

Market Value Aid Ratio (MVAR) – A value used by PDE as a measure of a school district's wealth (determined by real estate value) as compared to other Pennsylvania school districts - the lower the value, the wealthier the school district. The theoretical "average" school district has a value of .5000. Don't confuse Market Value Aid Ratio (MVAR) with Market Value/Personal Income Aid Ratio (MV/PI AR).

Market Value (MV) – Value of taxable real estate as certified by the State Tax Equalization Board. In the MVAR formula, it is applied two years in arrears. For example, the 2006 market value is used in the calculation of the MVAR for payable year 2008-09.

Utilized passenger capacity of vehicle (UPC) – The greatest number of pupils assigned for transportation to or from school on a run. This figure may not exceed the approved passenger capacity of the vehicle.

Utilized passenger capacity miles (UPCM) – The product of the utilized passenger capacity times the approved annual mileage of the vehicle in transportation of pupils to and from school.

VIN – The manufacturer’s serial number of an individual vehicle; the Vehicle Identification Number.

Examples of UPC Calculations

Example 1 – A 72 passenger bus does an elementary run with 54 scheduled pupils, a noon-time kindergarten run of 32 pupils, and a secondary run of 45 pupils. The utilized passenger capacity (UPC) for the day is 54.

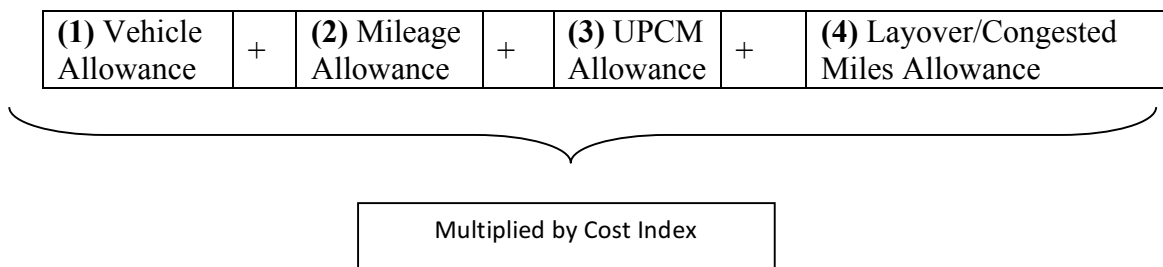
Example 2 – A 72 passenger bus does an elementary run with 54 students and schedules 80 students for the secondary run based on the experience that half the pupils drive to school. The utilized passenger capacity (UPC) for the day is 72.

Note: If the seating capacity of a vehicle is permanently reduced to accommodate transportation of certain exceptional pupils, the original capacity of the vehicle may be used in computing maximum allowable costs for reimbursement purposes.

Total Individual Vehicle Allowance

The most complex part of the transportation subsidy calculation is determining a vehicle’s approved reimbursable cost (ARC). Two forms are required because the rules are slightly different for LEA owned and contracted transportation operations. The methodology for calculating approved reimbursement explained here follows the sequence used by these forms. The ARC formula consists of four elements, the sum of which is multiplied by a cost index.

Basic ARC Formula



In other words, the individual vehicle allowance is: **(1+2+3+4) x Annual Cost Index**

In the presentation that follows, the Individual Vehicle Allowance calculation will be demonstrated for a bus with the following characteristics:

Factor 1	A contracted four-year old bus with a 72 passenger seating capacity.
Factor 2	The bus was in operation for the full school term, 180 days, and traveled 110 miles per day, 50 miles with student and 60 miles without students.
Factor 3	The weighted average of pupils on the three runs assigned to this vehicle is: elementary – 50; kindergarten – 35; secondary – 45.
Factor 4	The bus runs 5 hours per day, or 900 hours per year.

Factor 1 – Vehicle Allowance

The vehicle allowance is the sum of two factors: (1) the basic allowance and (2) the additional allowance.

Basic allowance - For each vehicle approved and used in pupil transportation both to and from school during the full school term under an approved contract, an allowance of \$540 is made. If the vehicle has an approved rated pupil capacity of ten or less, the allowance is lowered to \$360.

Additional Allowance – The additional allowance for each vehicle is dependent upon two factors: (1) the age of the bus and (2) the pupil seating capacity. There are two sets of factors used in the Additional Vehicle Allowance Calculation: one for contracted vehicles and one for LEA owned vehicles. The calculation favors contracted vehicles and is a factor to consider when evaluating LEA owned versus contracted service.

Age of Bus	Rate	X	Pupil Seating Capacity
1-10 Years	\$ 15	X	
11 + Years	\$ 12	X	

Our calculation example assumes a four-year old LEA owned 72 passenger bus. The Factor 1 allowance would be computed as follows:

$$\begin{aligned} &(\text{Basic Allowance}) + (\text{Additional Allowance}) = \text{Factor 1 Allowance} \\ &(\$540) + (\$158 \times 72) = \text{Factor 1 Allowance} \\ &(\$540) + (\$1,080) = \text{Factor 1 Allowance} \end{aligned}$$

The Factor 1 Allowance is \$1,620

Notes: The calculation assumes two-way transportation for the entire school term. If a vehicle is used daily only for transportation either to school or from school, the basic annual allowance is reduced by 50 percent. If a vehicle is used less than the full school term, the basic annual

allowance is prorated in accordance with the fractional part of the term the vehicle was in use. For example, if the term was 180 days and the bus was only in operation for 120 days, the Factor 1 Allowance would be multiplied by 120/180 or 67%.

Factor 2 – Mileage Allowance

The mileage allowance for reimbursement purposes is computed by multiplying the approved annual mileage to and from school during the school term times \$.23. The “approved annual miles” is the approved daily miles times the number of days in operation.

Our example bus traveled for 180 days at 110 miles per day (50 “with” and 60 “without”). The approved daily miles, however, would be 100, because “miles without” cannot exceed “miles with.” (See explanation on page 11). The mileage allowance for the example bus would be:

(Approved Daily Miles times Number of Days) times \$.23 = Factor 2 Allowance
(100 x 180) x \$.23 = Factor 2 allowance
18,000 x \$.23 = Factor 2 Allowance

The Factor 2 Allowance is \$4,140

Note: If the approved mileage a vehicle travels daily in transporting pupils to and from school is less than 20 miles, the vehicle allowance is reduced to the amount determined by multiplying the vehicle allowance times a fraction in which the numerator is the number of approved miles the vehicle travels daily and the denominator is 20. For example, if the approved daily mileage was 10, the Factor 1 allowance would be reduced by multiplying the calculated factor by 10/20, or 50%.

Factor 3 - Utilized Passenger Capacity Miles (UPCM) Allowance

The utilized passenger capacity miles allowance is first determined by multiplying the approved annual miles times the greatest number of pupils assigned to ride at any one time. That value is then divided by 1000 and multiplied by \$3.50. **Note: For contracted service, the Factor 3 multiplier is \$3.50 – not \$3.00.** The example bus ran an elementary run with 50 assigned pupils, a noontime kindergarten run with 35 assigned pupils, and a secondary run with 45 assigned pupils. The “approved annual miles” was a part of the Factor 2 calculation. The UCPM calculation would be:

[(Approved Annual Miles X Greatest # of Assigned Pupils)/1000] x \$3.00 = Factor 3 Allowance
[(18,000 x 50)/1000] x \$3.00 = Factor 3 Allowance
(900,000/1,000) x \$3.00 = Factor 3 Allowance
900 x \$3.0

The Factor 3 Allowance is \$2,700

Factor 4 – Layover or Congested Hours Allowance

The calculation recognizes the necessity of additional cost when heavily congested traffic conditions or driver layover time (scheduled for reasons of economy) result in excess driver hours.

The allowance is:

$$(\text{Approved hours}) \times (\text{number of days}) \times \$3.00$$

Hours are “approved” for use in this calculation when driver hours exceed the result of dividing the total number of annual miles by 15. The hours used in the calculation represent the difference between the total hours and the result of the described division. This is best explained by example. In the example, there are no approved hours so there is no “Factor 4 allowance.” The vehicle travels 19,800 miles per year in 900 hours. 19,800 divided by 15 is 1,320, which is greater than 900. Our example bus makes fairly good time, averaging better than 20 miles per hour over the year.

The Factor 4 Allowance is \$0.00

If the bus was only able to travel, say, 9000 miles during the year because of congested traffic, “Factor 4” would come into play. 9000 divided by 15 is 600. The bus hours of 900 exceed 600 by 300, so the “approved hours” for the purpose of the “Factor 4” calculation would be:

$$300 \times \$3.00 = \$900$$

Note that LEAs requesting an allowance for excess driver hours must submit a written justification and supporting evidence with their annual transportation reports. The examples given assumed that the hours of operation were submitted to and approved by PDE.

Recommendation: The Study Team recommends the transportation staff check all routes to determine if the PBSB is eligible to receive additional “excess driver hours” subsidy. It is our observation that several of the existing and past runs are eligible for this reimbursement.

The sum of the four factors is then multiplied by the Transportation Cost Index to determine the Individual Vehicle Allowance. The Transportation Cost Index is announced annually by PDE and is a reflection of the rising cost of operations.

Calendar Year	PDE Cost Index	Operation Year	Payable Year
2015	5.564	16-17	17-18
2014	5.525	15-16	16-17
2013	5.481	14-15	15-16
2012	5.400	13-14	14-15
2011	5.310	12-13	13-14
2010	5.155	11-12	12-13

2009	5.079	10-11	11-12
2008	4.945	09-10	10-11
2007	4.940	08-09	09-10

The Total Individual Vehicle Allowance is the total of the four factors times the applicable Transportation Cost Index (.

In the running example used in this section, it would be:

$$\begin{aligned} & (\text{Factor 1} + \text{Factor 2} + \text{Factor 3} + \text{Factor 4}) \times \text{Annual Cost Index} \\ & (\$1,620 + \$4,140 + \$2,700 + \$0) \times 5.155 \text{ (calendar year 2010)} \\ & \boxed{\$ 8,460 \times 5.155 = \$43,611.30} \end{aligned}$$

Approved Reimbursable Cost (ARC)

The aggregate sum of the Total Individual Vehicle Allowances, assuming all calculations and factors have been or will be approved, is the Approved Reimbursable Cost or “ARC.” The ARC is used as a single number in the subsequent steps of the subsidy calculation. The hard part is over, but ARC is only the initial phase of calculation. The basis transportation subsidy formula is:

Approved Reimbursable Cost (ARC) x Market Value Aid Ratio (MVAR) = Subsidy

The operation of the individual ARC calculations is directed toward determining the amount PDE assumes is the cost to operate the vehicle, regardless of the actual cost. Costs in excess of the ARC are ignored and not subject to reimbursement. Further, if the actual cost of operation is less than the calculated ARC, only the actual cost may be used.

The Subsidy Calculation

In its simplest state, a school district’s transportation subsidy entitlement is determined by multiplying its Approved Reimbursable Cost (ARC) by its Market Value Aid Ratio (MVAR). For the purposes of carrying the running example to the end of the subsidy calculation, assume the sum of the Individual Vehicle Allowances for the LEA fleet is \$1,000,000 with an MVAR of .6000. With an ARC of \$1,000,000 and an MVAR of .6000, its regular transportation subsidy would be \$600,000.

Approved Cost	X	MVAR	=	Regular Transportation Subsidy
\$1,000,000	X	.6000	=	\$600,000

Complication #1 – School districts also receive reimbursement for transportation costs of associated vocational technical schools. The ARC of the vocational technical school with respect to a school district is multiplied by the district’s MVAR. The resultant subsidy is then paid to the school district. If the ARC of a vocational technical school with respect to our

example school district is \$50,000, the school district will receive \$30,000 (\$50,000 times .6000), bringing its total subsidy to \$630,000. The logic in the district receiving the subsidy as opposed to the vocational technical school receiving the subsidy lies in the fact that the district has already paid the vo-tech a fee, which included a payment for transportation in full.

	Approved Cost	X	MVAR	=	Regular Transportation Subsidy
District	\$1,000,000	X	.6000	=	\$600,000
Vo-tech	\$50,000	X	.6000	=	\$30,000
Regular Operating Subsidy					\$630,000

Complication #2 – Servicing intermediate units are also a part of the transportation subsidy mix. School districts receive the benefit of a state financial partnership in the transportation of IU special education students, but the flow of money is different. The rules for approved reimbursable costs apply, as does the application of the MVAR. The state share of the cost of transporting IU students is paid to the intermediate units. The district share of the cost of transporting IU students is paid to the intermediate unit via a deduction from a district’s basic education funding. In our example school district, its IU reports ARC of \$200,000 with respect to the cost of transporting district students to and from IU classes.

	Approved Cost	X	MVAR	=	Regular Transportation Subsidy
District	\$1,000,000	X	.6000	=	\$600,000
Vo-tech	\$50,000	X	.6000	=	\$30,000
IU	\$200,000	X	.6000	=	12,000
Regular Operating Subsidy					\$642,000

Remember, the district does not actually receive the \$12,000 intermediate unit subsidy, but it does get credit for it against the intermediate unit transportation bill. For the purposes of a district’s transportation subsidy calculations, this amount is considered “regular operating subsidy.”

Complication #3 – The Public School Code requires that no school district will need to raise more than one-half mill times its market value to pay toward the approved cost of transportation. This umbrella calculation usually provides additional operating subsidy to a school district. In this developing example, assume that the district’s market value (as determined by STEB) is \$1,000,000,000. One half mill of market value would be \$500,000. After regular transportation subsidies are applied, the district cannot spend more than \$500,000 toward the approved cost of transportation. The regular transportation subsidy will be increased to reduce the district’s net cost to that guaranteed level.

	Approved Cost	X	MVAR	=	Regular Transportation Subsidy
District	\$1,000,000	X	.6000	=	\$600,000
Vo-tech	\$50,000	X	.6000	=	\$30,000
IU	\$200,000	X	.6000	=	12,000
Regular Operating Subsidy (1)					\$642,000
District approved cost			\$1,000,000		
Vo-tech approved cost			\$50,000		
IU approved cost			\$200,000		
Total Approved Cost			\$1,250,000		
Regular operating subsidy (1)			(\$642,000)		
Net district cost before adjustment			608,000		
One-half mill of market			(500,000)		
Additional subsidy			\$108,000		\$108,000
Total Regular Subsidy					\$750,000

This amount can be proved by understanding the one-half mill guarantee: no district will need to raise more the one-half mill of its market value to pay toward the approved cost of transportation.

Proof of Example – “One-half mill guarantee”		
Net cost after subsidy must be less than or equal to: \$1,000,000,000 x .0005 =		\$500,000
Total approved cost	\$1,250,000	
Less state subsidy	(\$750,000)	
Net district cost		\$500,000

Complication #4 – Districts with LEA owned vehicles receive an annual depreciation allowance of \$700 per vehicle or 1/10 of the purchase price of the vehicle, whichever is less. This adjustment is in addition to the “regular” transportation subsidy.

Complication #5 – Districts receive an additional \$385 for every non-public student transported and every charter school student transported outside of the district.

Sample Average Method (The Study Team recommends this method)

Most school districts choose to use the “Sample Average Method” to compute “miles with,” “miles without,” and the “daily miles.” The “Sample Average Method” uses a monthly “snapshot” of one day’s service for a vehicle. A copy of the worksheet for computing sample averages is found in Appendix A. If this method is used, the “Sample Average Method” form and supporting documentation should be retained for review of the auditor. The steps for using this method include:

- (1) Record each vehicle odometer reading on or about July 1 prior to the beginning of the school year and on or about July 1 at the end of the school year, and subtract

- the beginning of year odometer reading from the end of the year odometer reading to determine the annual odometer mileage,
- (2) Once during each month, from October through May, for to and from school transportation, measure and document the number of miles each vehicle traveled with students, the number of miles each vehicle traveled without students, and the greatest number of students assigned to ride each vehicle at any one time during the day.
 - (3) Calculate the average of the eight measurements (to the nearest tenth) for each of the three variables – these are called the sample averages.
 - (4) The annual odometer mileage and the sample averages determined should be used to complete form PDE-1049, end-of-year pupil transportation report in the eTran system.

AUDIT RECORD KEEPING

Because of the pervasive complexity of the transportation subsidy calculation and the extensive record keeping required, both PDE and the Auditor General report significant reporting problems, and offer the following suggestions.

1. **CHECK THE MATH** - Many errors are simply clerical, addition, or transfer errors.
2. **NON-PUBLIC PUPIL COUNT** – Record all non-public pupils transported, regardless of who actually provides transportation: the home district, another district contracted by the home district, a contractor, or an LEA paid parent.
3. **INTERMEDIATE UNIT TRANSPORTATION**. Check to ensure IU charges are only for LEA resident pupils.
4. **ACTIVITY (LATE) RUNS**. The “greatest number” of students for an activity run is taken from the primary run for the vehicle. Using a bus with a high regular run pupil assignment has the effect of increasing ARC and subsidy.
5. **VEHICLE DAYS**. Report the actual number of days that a vehicle provides service. PDE **will** subsidize for days of operation in excess of 180.
6. **HOMELESS STUDENTS**. If you are providing transportation for homeless students, you may claim the costs and the students as if they were current residents.
7. **MEASURE THE 1/10ths**. Some new vehicles have odometers that do not measure to tenths, rolling over only when the next whole mile is traveled. This could mean the loss of up to 9/10 mile per run per day. Similarly, mapping programs may be calculating to points along a main road. This could create a loss in subsidy, for example, if a school building was located a quarter mile back from the road. In this example, there would be a loss of one-half mile per run for each bus traveling to the school.

8. **VEHICLE CAPACITY.** There cannot be more pupils assigned to a vehicle for the purposes of the subsidy calculation than there is capacity on the vehicle. There may be more on the roster, but the excess cannot be reported for the purpose of generating subsidy.

9. **EXTRA RUNS.** Runs during the day for the purpose of swimming lessons, enrichment classes, and religious instruction, etc., are **not** covered under the subsidy, which is only for transportation to and from the school in which the child is enrolled. An exception to this rule is made for required IEP services. Vo-tech runs and mid-day kindergarten runs ARE claimable because they are to and from school. Late runs to take students home from after school activities are also claimable as long as it is the student’s first trip home.

10. **CHILD CARE.** The eligibility for transportation subsidy is determined by the location of the child’s residence, not the location of the childcare provider. If, for example, a child lives within 1.5 miles of school on a non-hazardous walking route but receives transportation services from a childcare provider living five miles away, the child is “non-reimbursable” for the purposes of the transportation subsidy.

COMMON REPORTING ERRORS

On Form PDE-2089
<input type="checkbox"/> Counting pupils as “hazardous” who reside more than one and one-half miles from their elementary school or two miles from their secondary school.
On PDE-1049
<input type="checkbox"/> Not submitting letters requesting excess hours allowance for layover or congested routes
<input type="checkbox"/> LEA Owned: Not entering total miles, or entering a figure that is <u>not</u> derived from a school-year odometer reading comparison (you must subtract July 1 first year reading from June 30 second year reading).
<input type="checkbox"/> LEA Owned: Not listing spare vehicles, or not listing them correctly.

Record Keeping and Preparing for the Auditor

- **School calendars** for all public and private schools to which transportation service is provided to verify the “number of days.”
- Monthly **mileage forms** displaying data that is recorded by the bus driver indicating miles traveled with students and miles traveled without students. One form should be maintained for each vehicle. A copy of a mileage form template is found in Appendix H. *Note: The Bureau of School Audits will be asking for odometer readings even if mapping program data is used as documentation. The odometer reading must reconcile with the information the program is generating.*
- Monthly **student rosters** for each vehicle in order to verify the maximum number of students transported daily. Again, this is important for all public and private schools. The roster should include the names of each student transported. If a “sampling method” is used, it is important to record the mileage and student roster information on the same day.

- **Odometer readings** for June 30 of the current year and July 1 of the preceding year for each vehicle used for both private and public school transportation. This information should be maintained on one form. The form should include the make and vehicle identification number (VIN) and the rated capacity of the vehicle.
- **Hazardous route** records. These records should include copies of letters from PennDOT citing the hazardous walking routes within 2.0 miles for secondary and 1.5 miles for elementary from each school as hazardous. In addition, routes showing the number and names of students living within each hazardous route should be maintained.
- **Fuel records** for the school year, including the number of gallons used and the total cost if LEA-owned fleet or LEA is providing fuel for contractors.
- A copy of each **contract with contracted service providers**, including those with individual drivers. Copies of insurance certificates must also be maintained.
- **Evacuation drills verification** forms, PDE 4101 (Certification of Fulfillment of Fire Drill and School Bus Emergency Evacuation Drill Requirements).
- All **filed transportation forms** and PDE end of year subsidy summaries.
- **Vehicle data:** Serial number, year of manufacture, capacity. This information must be tied to mileage and student roster information.
- All **supporting calculations**, including weighting **worksheets** and **notes** about special arrangements.
- **Run information**, including routes, stop locations, times, etc.
- Contractor names and **record of payments** made.
- Copies of Board Minutes with **driver and route approvals**. Note: It is the Auditor General's view that drivers must be specifically approved by the LEA governing board, even if the drivers are contracted.
- **Driver Files:** Driver's License, Clearances, Physical Exam, Training Information, etc.

The completed field audit is returned to the Department of the Auditor General for review and processing. From there it goes PDE's Division of Subsidy Data and Administration. If needed, recovery adjustments are made as deductions from a district's Basic Education Funding payment. Payments are made from the appropriate transportation appropriation.

OPPORTUNITIES FOR IMPROVEMENT

It is obvious that the Plum Borough School District is committed to providing safe and efficient transportation to its students. The School District has a long tradition of providing this service in a safe manner to all students who are eligible under the Pennsylvania rules and regulations.

The following will outline opportunities for improvement as noted by the Study Team:

MAXIMIZE SUBSIDY

Perhaps the greatest opportunity for improvement is for increasing subsidy through record keeping and reporting processes related to subsidy.

- A. The school district is reporting actual ridership versus total number of students assigned to buses for subsidy purposes. Transportation personnel should go back prior years and resubmit total number of students assigned to all buses as record keeping allows. For example, if the average reimbursement is approximately \$300 per student, the reimbursement would increase approximately \$30,000 for 100 additional students. This is one of the major reasons the overall state percentage of subsidy compared to total transportation costs has decreased.
- B. The school district under reported the number of days vehicles are used. Additional subsidy is available for all vehicles that are used more than 180 days. Vehicles use for public and private schools often runs additional calendar days and are eligible for additional subsidy. **School calendars** for all public and private schools to which transportation service is provided must be maintained in order to verify the “number of days.”
- C. The school district should calculate “excess diver hours” subsidy for all existing routes. The observations of the Study Team is that several of the existing runs are eligible for this additional subsidy. The school district should also review runs from recent years as data allows to submit for this additional subsidy.
- D. The school district should report the cost of purchasing vehicles used for student transportation in the AFR transportation section of the report. This will often result in additional subsidy as “excess cost.”

RECORD KEEPING AND SUBSIDY

It is the observation of the Study Team that record keeping required for state audit purposes should be improved. Appendix B includes a mileage form that is recommended for use. The Study Team also recommends improved record keeping as it relates to students transported due to hazardous walking conditions. Details related to state subsidy record keeping are found earlier in this report.

Recommendation: Bus mileage sheets must be completed on a monthly basis beginning in October of each year for eight months. Also, student rosters for each bus need to be recorded for audit purposes beginning in October of each year for eight months.

Recommendation: All routes that are identified as hazardous need to have PennDOT certification for audit purposes. In order to receive reimbursement from the State, students being transported due to hazardous walking conditions need to match up to the PennDOT certified routes list.

Recommendation: Continue to develop processes to ensure all required audit documentation as noted in this report.

NUMBER OF STUDENTS PER VEHICLE

The total approved cost compared to the actual cost is a variable of many factors, including number of students assigned to each vehicle and the miles with and without students. It is the observation of the Study Team that the variable that the school district should work to improve the total approved cost by increasing the number of students assigned to each vehicle. In addition, the district has a large number of vehicles that are considered spare vehicles.

Recommendations: The district should review all routes to see where additional students could be assigned to vehicles. This may require a slight change in bell times. Positive results will include lower costs and increased subsidy. In addition, the district should consider purging unneeded vehicles. A general rule of thumb is to maintain 10% of the fleet for spare vehicles.

STAFFING

Observation: The Study Team commends the school district for adequately staffing the transportation operations.

ORGANIZATIONAL STRUCTURE

Recommendation: The Study Team recommends the Director of Transportation report directly to the Director of Business Affairs. Beyond the day to day operations of student transportation, much of the subsidy process involves processes best understood by the business operations of the school district. The Study Team believes that oversight by the Director of Business Affairs will provide the best opportunity to maximize subsidy for pupil transportation.

DOUBLE RUNS

There may be an opportunity of savings by adding double runs for certain buses service highly populated areas.

The general rule for buses that have more than one run is as follows:

- The first run in the a.m. will pick up students who live the greatest distance from school
- The second run in the a.m. will pick up students who live closest to the school.
- The first route in the p.m. will deliver students who live closest to school. The second run in the p.m. will deliver students who live the greatest distance from school.

The objective is to create double-runs such that student waiting time at school is kept to a minimum.

Recommendation: The Study Team recommends the transportation office study the possibility of adding double runs to the transportation as a cost effective measure.

PROFESSIONAL DEVELOPMENT

The Study Team recommends the transportation personnel take advantage of opportunities for professional development provided by PASBO. There are number opportunities for learning best practices related to transportation operations.

SPECIAL NEEDS TRANSPORTATION

This section of the report is provided by the Study Team for informational purposes.

Special education services for special needs children extends beyond the classroom and school to providing special transportation services. Providing these services takes a great deal of time and resources for educational systems. It is not uncommon for the transportation director to spend a

significant amount of time planning a transportation system that meets the requirements of special needs students.

The regulations supporting special needs transportation in Pennsylvania are clear: children who receive special education services are entitled to transportation to and from school and school related activities.

Special Needs Transportation Checklist

- ✓ A child who is receiving special education services must get transportation to, from, and around the school if needed for the student to benefit from his/her education program.
- ✓ Children are entitled to the transportation they need to participate in class field trips.
- ✓ If the school district provides transportation to and from sports or other afterschool activities for children who are not disabled, it must provide appropriate transportation for children with disabilities.
- ✓ Transportation to school and school related trips must be free. If there is a charge for transportation to an optional field trip or event, a child with a disability cannot be charged more than other children.
- ✓ The transportation must be appropriate for the child in view of the child's age and disability. For example, some children can just ride the school bus with other classmates or, if given a school token, take public transit. For a child who uses a wheelchair, a bus or van with a lift may be required.
- ✓ In some cases, an aide may be needed on the bus or vehicle to help meet the needs of a child.
- ✓ Special arrangements may be necessary due to medical concerns.
- ✓ The length of the bus ride may be dictated by the child's IEP, usually due to health problems or behavior.
- ✓ The school day cannot be cut short because of the transportation schedule of a special needs child.
- ✓ If a parent or guardian is not satisfied with the transportation services offered by the school district, they can ask for mediation or a special education hearing.
- ✓ Parents and guardians are able to file complaints regarding a school district not carrying out transportation services as listed in the child's IEP through the Division of Compliance, Monitoring and Planning, Bureau of Special Education, Pennsylvania Department of Education, 333 Market Street, Harrisburg, PA 17126. The Division of Compliance has 60 calendar days to investigate and to report on the complaint.

- ✓ A child with a disability who is placed by the school district or a public charter school in a private school has the same rights as a child who is receiving special services in the district – including free transportation that is appropriate to his/her needs.
- ✓ If a child is placed by the school district in a residential school, free transportation must be provided on breaks and school holidays.
- ✓ If parents place their child in a private or parochial school at their own expense (regardless of whether the child has a disability), the child may still be entitled to free transportation from the school district. Transportation to and from private schools and on field trips must be provided to the child if all of the following are true: (a) the district provides transportation to public school children of the same age, (b) the private school is within 10 miles of the school district boundaries, and (c) the private school is non-profit.

Transporting Students with Disabilities

Determining the level of support for students with disabilities, it is important to consider the following factors:

- A. Length of Ride:** Health factors and the impact of the student’s disability should be considered as they influence the safety of the student during transit. Young students may show limited tolerance for extended bus rides, and the behavior of students with emotional disturbance or behavioral disorders tends to deteriorate as the length of the bus ride increases. There may also be unique issues for students requiring medication.
- B. Level of Assistance Needed:** The level of assistance required by a student is influenced by the student’s age, size, sensory skills (e.g., vision, hearing), communication skills, level of intelligence, and social/emotional factors.
- C. Seating:** Seating decisions are generally based on the student’s level of functioning. Students with limited trunk strength may require a seat belt or vest to provide additional support while on a moving bus. Students with visual impairments are likely to require an assigned seat they can independently locate. Students with significant intellectual limitations may require assistance to find their seats. Students with seizure disorders may need to be seated where they can be monitored and where lighting can be controlled.
- D. Special Adaptive and Assistive Equipment:** Seat belts, vests, harnesses, and wheelchair securement devices must be properly used. It is important to consult with a knowledgeable professional such as a physical therapist, school therapist or mobility specialist to ensure any such devices are used properly. If a student brings an assistive device on the bus, make sure it is properly secured for transport.
- E. Evacuation:** When preparing for the possible evacuation of students with disabilities, it is essential to have a written plan, which pays close attention to the individual needs of students. All students should participate in evacuation drills unless they have been exempted by authorized medical personnel. School bus operators and other personnel

should plan to evacuate all students using all available exits with and without the use of the power lift (if applicable).

Other Considerations

- ✓ The bus stop for many students with disabilities, especially those with physical disabilities using wheelchairs, is often located on the sidewalk or driveway in front of the students' homes.
- ✓ The bus stop should have level parking, smooth approaches from the house, and adequate space for placing ramps and loading wheelchairs.
- ✓ Bus stops where the bus is pulled over to the left side of the street, facing oncoming traffic, are prohibited.
- ✓ Just as each student requires individual attention, each stop requires its own approach. Adapt pickup and drop off procedures for the particular needs of the student and the location.
 - ✓ Stops for students with disabilities require more time and care than those for typical students. Try to find a place where traffic will not be unduly held up, if the school bus eight-way light system is activated.
 - ✓ If the bus is completely off of the roadway, drivers do not need to use the school bus eight-way light system. However, hazard warning lights must be used.
- ✓ Sometimes students need the driver's help boarding or carrying their belongings. Assisting in the loading of a student with a disability is a time when bus drivers are permitted to leave the wheel of the vehicle. If the driver leaves the wheel, they should put the transmission in park or neutral and turn off the ignition. They should also be sure to remove the keys and set the emergency brake. On some vehicles with special equipment such as a lift, drivers must leave the engine on during loading and unloading. In these situations, drivers should make sure the transmission is in park or neutral, and the emergency brake is engaged before leaving the vehicle for loading or unloading.
- ✓ In order to board or exit the bus, some students may need the help of several people (e.g., parents, aides) in addition to the driver. Be sure all persons involved know their role in this procedure, ideally before the beginning of the school year.
- ✓ Most vehicles used to transport students with disabilities have seat belts or other forms of child safety restraint systems (CSRS) to help students secure. Before the engine is turned again, drivers should make sure all seat belts are fastened, all doors and windows are locked, all security devices are engaged, and all belongings are securely placed.
- ✓ Plan considerably more time to load students with disabilities, especially those with physical impairments. Follow your school district's policy on wait time and expected

boarding time. Parents should be instructed to have students at the bus stop five minutes before the scheduled time of arrival.

- ✓ If a student requires an aide, you must never leave him or her unattended.
- ✓ If you are transporting a student with a disability in a large bus with general education students, don't automatically assign the student to the front seat. Typically, front seats are saved for "problem" students, and not many students want to sit near the driver. Students with disabilities are like most of your student passengers in that they prefer to sit with their friends.
- ✓ When assigning a seat to a student with a disability, consider such factors as mobility and independence of the student, needs of the student, ease of emergency evacuation, availability of dependable assistance, and vulnerability of the student during interactions with other students.
- ✓ While on the road, watch for any behaviors that might cause a dangerous situation. If aides are available, part of their responsibilities should be to make sure all students remain safely seated and secure. With or without aides, drivers should make periodic checks. Knowing each student's specific behavior patterns enables drivers to avoid potentially dangerous situations during transport. Before transporting any student with special needs, it is critical to understand the disability and potential behavior each student may exhibit.
- ✓ Never leave students unless a parent or other responsible person is there. Since policies differ from area to area, local school district officials must establish specific procedures to follow when no responsible person is present where the student is to be unloaded.