



REPORT TO THE LEGISLATURE

UPDATE: School Transportation Efficiency

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Executive Summary

In September 2011, Washington state adopted a new student transportation evaluation system. The goal of the system, being part of the transportation funding system, is to encourage districts to operate in as efficient manner as possible.

The Office of Superintendent of Public Instruction (OSPI) uses a statistical process to determine relative efficiency ratings. The process sets a target for transportation expenditures and the number of buses operated. The results show a majority of school districts are operating above 90 percent efficiency.

Regional Transportation Coordinators (RTC's) conduct efficiency reviews districts whose efficiency ratings are less than 90 percent. This is the fifth year of the Regional Transportation Coordinator (RTC) efficiency review process. The RTCs conducted reviews on 94 school districts 2016-17. Seventy-four districts rated less than 90 percent, which is four more than last year. Of these 74 districts, 15 districts were not reviewed 2015-16. Of the 74 districts rated less than 90 percent last year, 19 increased their efficiency rating to above 90 percent. Ten districts below 90 percent last year increased their efficiency rating to 100 percent.

OSPI also analyzes the districts using three Key Performance Indicators (KPIs):

- 1) Basic student average load
- 2) Special education student average load
- 3) Cost per student.

Several large school districts are in the planning stages of restructuring school bell times. Some of these districts are attempting to provide improvement in efficiency.

Background

The 2009 Washington State Legislature adopted the current student transportation funding system. The Student Transportation Allocation Reporting System (STARS) was implemented on September 1, 2011. An efficiency evaluation system of school district transportation operations was requested for all districts with an efficiency rating of 90% or less. The evaluation system is intended to encourage school districts to operate their student transportation systems in a manner that makes efficient use of state resources. Regional Transportation Coordinators (RTC's) are required to conduct efficiency reviews of those districts whose efficiency ratings are less than 90 percent.

The statistical system used to create the efficiency ratings known, as the Target Resource Model (TRM), was developed by Management Partnership Services—the consultant hired by the Office of Financial Management to provide options for a new student transportation funding methodology. For districts rated at less than 100 percent efficient, TRM creates a statistical “target district” from actual school districts across the state that have environmental features, size characteristics, and workload requirements that are the same or more challenging and compares the district’s total transportation costs and the number of buses used with this “target.” The target district establishes the expected resource requirements (expenditures and number of buses) needed to achieve a 100 percent efficiency score.

The calculation of the efficiency ratings requires district expenditure data, which is available for the prior school year in late December each year. The efficiency ratings are released in early March and are available on the OSPI’s [STARS](#) page. The regional transportation coordinator efficiency reviews and the Key Performance Indicators (KPI) reports are available to download.

Update Status

Three different review processes are used depending on the history of the school district rating. There is an initial review process for those districts whose rating is below 90 percent for the first time. The second review process is for those districts whose prior year and current year efficiency ratings are below 90 percent. The third review process is used for those school districts whose prior year rating is below 90 percent but the current year rating is above 90 percent.

Statewide Ratings	Total
2016-17 rating <90%	74
Below 90% for first year	15
2015-16 rating is below 90 percent but the 2016-17 rating is above 90 percent	19
2015-16 and efficiency ratings are below 90 percent	56

The initial review process for those districts whose efficiency rating is below 90 percent for the first time include a written survey of transportation operations, an onsite RTC visit discussing the results of the

survey, and a review of the final RTC report. The survey allows districts to provide information regarding their transportation operations prior to the initial meeting between the RTC and district staff. As a result, meetings are able to focus on substance instead of gathering background information.

After the in-person meeting, additional contact is primarily through email. The RTC drafts descriptions and comments regarding district operations and possibilities for improving efficiency. This is then emailed to district staff for response.

For districts remaining below 90 percent for multiple years the process of the review was modified as necessary to maximize the effective use of staff time. Many small school districts will never be able to achieve a rating above 90 percent. For example, where the district's single school is located in the middle of a stretch of highway, the efficiency system target may be to only use a single bus for providing the transportation. However, using a single bus would result in excessive ride times for students. For these districts, the review process typically consists of a phone call or email exchange to identify any changes in operations. For larger school districts with more complex transportation operations, onsite visits are more productive.

The primary audience for the efficiency reports is school district administrative staff, local school boards, and interested members of the community. OSPI and RTCs generate Key Performance Indicators (KPIs) to compare district transportation operations in three categories:

- 1) The number of basic program students per basic program bus,
- 2) The number of special education students per special education bus, and
- 3) The cost per student transported.

While KPIs have some of the same weaknesses of the statistical rating process, they provide a comparison of a district's operational performance using everyday concepts. The last three annual statewide KPIs are provided in Tables 3, 4, and 5 and show the expected ability of larger districts to take advantage of economy of scale not available to small districts. A customized KPI report was generated for all school districts regardless of efficiency rating to encourage districts with efficiency ratings of 100 percent to evaluate how they compare to similar size districts. These reports are also available on the [STARS](#) page under the "STARS Efficiency Ratings" dropdown.

Due to several school districts operating transportation services for neighboring districts or operating as transportation cooperatives, there were 284 districts included in the efficiency rating process.

The March 2017 rating resulted in 180 districts (63.38 percent) rated at 100 percent and 74 districts rated less than 90 percent. For a year-to-year comparison of the distribution of school district efficiency ratings, see Table 1 in Appendix B. There was a decrease in the number of districts rated 100 percent and an increase in the number of districts rated between 90 percent and 100 percent.

Factors Impacting Efficiency

Many districts reported changes in operations to increase efficiency. These changes ranged from consolidation of school bus routes to changing bell times. A number of larger districts indicated they are

in the process of implementing future bell time changes to provide multi-tiered routing of school buses. For large districts, restructuring bell times is typically a multi-year process.

Perhaps the most difficult circumstance to explain is when a district increases the average student load and cuts costs by consolidating bus routes yet its latest rating shows a decrease in the efficiency. The reverse has also occurred, in which a district increases costs and the efficiency rating increases. These factors change because other districts within their quartile may have made other changes that affect all in that quartile. It is cases like these where referring to the KPIs is particularly useful.

Tables 3, 4, and 5 in Appendix A provide the statewide Key Performance Indicators for the 2013–14, 2014–15, and 2015–16 school years. There were only slight changes in any of the values. The comparison of year-to-year values is more productive at the individual school district level.

Appendix A provides a statewide map of efficiency ratings. While there are minor variations from prior year maps, the overall pattern is unchanged.

School districts remain susceptible to having their efficiency ratings drop due to one-time costs such as rebuilding a diesel engine (for a small district) or implementing a technology system. Ideally, districts should make these implementation decisions based on the impact on student safety and long-range efficiencies, not the impact of the expenditure on their efficiency rating.

Conclusion and Next Steps

The use of Key Performance Indicators has provided a useful tool easier to comprehend and can indicate relative efficiency, including those districts with efficiency ratings of 100 percent. The Key Performance Indicators are a better view of the actual happenings in the district.

For the 2017-19 biennium, the Legislature has added the ability to promote regionalization of McKinney Vento transportation and we will be doing a study of the funding system to see where we can improve.

Appendix A: Map of Efficiency Ratings

School Transportation Efficiency

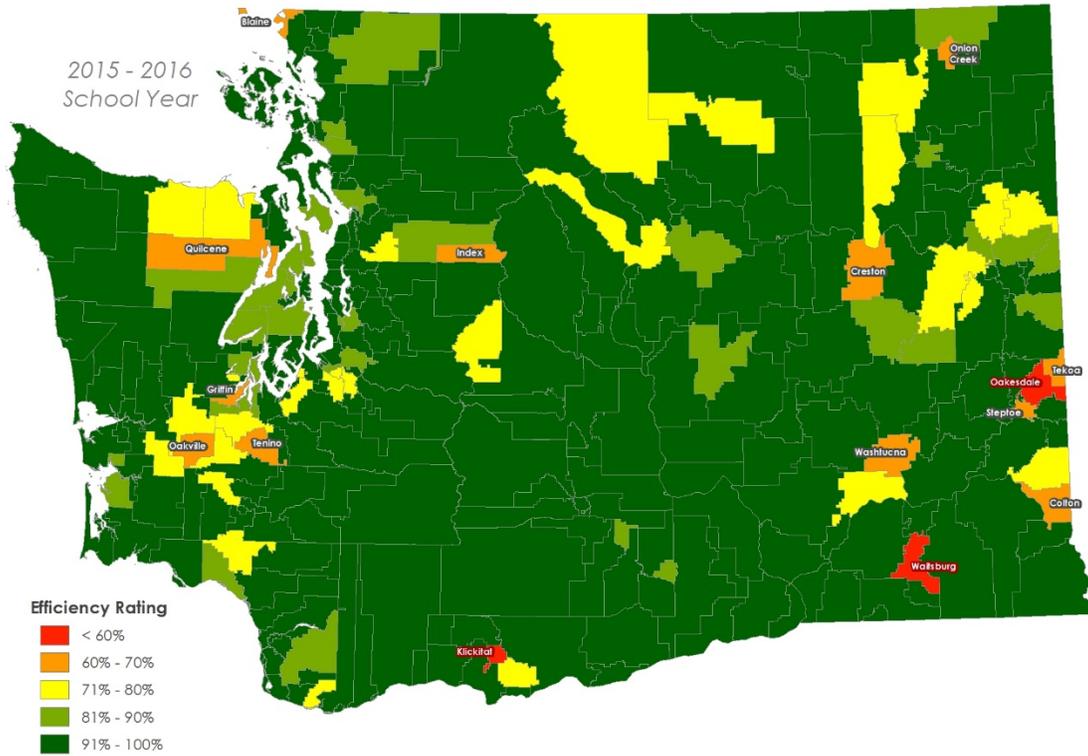


Table 1: Distribution of District Efficiency Ratings

Efficiency Rating	2015 Rating	2016 Rating	2017 Rating
100%	180	182	180
90% to 99.9%	32	26	30
80% to 89.9%	33	29	32
70% to 79.9%	20	24	27
60% to 69.9%	13	18	12
Less than 60%	7	6	3

Table 2: 2016-17 Efficiency Quartiles by Combined AM + PM Student Count

	Minimum Student Count	Maximum Student Count
1 st Quartile	8	216
2 nd Quartile	217	753
3 rd Quartile	754	3134
4 th Quartile	3135	12,934

Table 3: 2013-14 Key Performance Indicators by Efficiency Quartiles (riders per bus is one half of combined AM + PM Student Count)

	KPI: Basic Program Riders per Basic Program Bus	KPI: Special Program Riders Per Special Program Bus	KPI: Cost per Student
1 st Quartile	19	1	\$2,766.32
2 nd Quartile	39	3	\$1,362.16
3 rd Quartile	60	8	\$1,079.24
4 th Quartile	83	8	\$1,059.85

Table 4: 2014-15 Key Performance Indicators by Efficiency Quartiles (riders per bus is one half of combined AM + PM Student Count)

	KPI: Basic Program Riders per Basic Program Bus	KPI: Special Program Riders per Special Program Bus	KPI: Cost per Student
1 st Quartile	20	1	\$2,713.36
2 nd Quartile	39	3	\$1,333.86
3 rd Quartile	59	8	\$1,078.22
4 th Quartile	86	9	\$1,068.40

Table 5: 2015-16 Key Performance Indicators by Efficiency Quartiles (riders per bus is one half of combined AM + PM Student Count)

	KPI: Basic Program Riders per Basic Program Bus	KPI: Special Program Riders per Special Program Bus	KPI: Cost per Student
1 st Quartile	20	1	\$2,671.74
2 nd Quartile	39	3	\$1,380.15
3 rd Quartile	60	8	\$1,124.80
4 th Quartile	83	8	\$1,106.70

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