

BOARD OF EDUCATION UPDATE - MARCH 25, 2011

COMMUNITY INPUT SESSIONS ON THE 2011-12 BUDGET

MONDAY, MARCH 28 HKMS 6:30

MONDAY, APRIL 4 CENTRAL OFFICE 6:30

Anyone with comments or questions about the Superintendent's proposed budget is encouraged to attend. The proposed budget can be viewed at www.rsd17.org. Questions may be addressed to either boe@rsd17.org or superintendent@rsd17.org.

THANK YOU

The Board wishes to express its' gratitude to Dr. John Sullivan, Interim Superintendent. While Dr. Sullivan has been with us only a short time, his expertise and guidance have been invaluable. We have appreciated his sincere interest, support, and efforts on behalf of the students, staff, and community. Please join the Board in thanking him as he finishes up next week in Region 17.

TRANSPORTATION

It has come to the Board's attention that there continues to be questions related to the sale of district buses and the outsourcing of transportation. In a sincere effort to provide clear and accurate information, we offer the following:

Why did the district decide to outsource transportation?

First, we were unable to secure enough drivers to operate an efficient system on a consistent basis. Securing and retaining a full compliment of drivers is not just an RSD 17 problem; it is a national problem. The opening of the new middle school required a three-tiered system (separate elementary, middle, and high school runs) which compounded the problem. Driver shortages required consolidating runs which then made it impossible to maintain all runs under thirty minutes in length. Longer runs and general inconsistencies in our transportation system resulted in unhappy families. Further, we had exceeded the budgeted amount for salaries since the start of 2007-08 school year due to overtime pay (again because it we didn't have enough drivers). The pattern continued. We implemented many incentive programs to attract and retain drivers to no avail. We were also concerned with the significant amount of time the Superintendent spent handling parent complaints relating to pick up/drop times, routing changes, driver changes, cancellations of extra-curricular events, and more. This was valuable time not spent focusing on educational programming.

Will the district save by outsourcing transportation?

The cost comparison between continuing to operate our own fleet versus outsourcing transportation to STA projected the district would save money in the first three years of the contract. STA is North America's third largest school bus contractor which specializes in transportation services and can realize savings through economies of scale. We were one of only a few school districts in Connecticut who maintained their own fleet. The largest savings will occur in the first three years of the contract as the district has been able to apply the proceeds from the sale of fleet to the cost of transportation services.

<u>Fiscal Year</u>	<u>District Owned</u>	<u>STA</u>	<u>Difference</u>
2010-2011	2,141,970.17	2,030,052.00	-111,918.17
2011-2012	2,410,229.28	2,166,721.00 *	-243,508.28
2012-2013	2,476,416.15	2,300,587.00	-175,829.15

*District cost was arrived at by using 3.0% annual increases on current wages and the number of bus and van runs in the original bid. Estimates projected in April 2010.

What do new buses and vans cost? How often did we have to buy them?

In order to maintain safe and compliant buses and vans, the district was on a replacement cycle which required the Board to budget for three new buses per year. Each bus cost an average of \$75,000 (2009 prices). Buses were purchased out of the capital account which limited the ability of the district to save for other large capital improvements. Under STA, the cost of transportation comes out of our regular operating budget.

What about seatbelts?

There is current state legislation that will likely require retrofitting buses with seat belts at an estimated cost of \$20,000 per bus.

What did the district do with the money from the sale of the fleet?

STA purchased the district's fleet for \$830,000. The fleet included 32 full size buses (of varying ages) and 4 vans. The district chose to apply the proceeds from the sale of the fleet to the cost of providing student transportation over a three year period as follows:

<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>
\$340,000	\$276,000	\$214,000 (estimated)

Why did the transportation line in the 2011-2012 proposed budget increase by \$500,000 or 26%?

This occurred for several reasons. First, the contract with STA called for a 3% increase. Second, and most influential, was the unanticipated increase in the number of van runs required to meet the needs of Special Education students (both in and out of district). The Board continues to work with STA to maintain efficiencies and look for ways to decrease the costs of transportation. Suggestions include an adjustment to the bell schedules at schools so less runs would be necessary, a reduction in late bus runs, or the lengthening of bus runs.

The Board of Education ultimately made the decision to outsource transportation in the best interests of the children of the district. It was important that our system be safe, efficient, and fiscally responsible. In addition, the Board truly believed that our focus on educational programming and children was often detracted from by the difficulties and challenges we faced daily in attempt to operate our own system.

Thank you for your continued support of the children of Haddam and Killingworth.
We appreciate it.

Amy

Amy Jacques-Purdy, Chair

On behalf of the Board of Education