

TO: School Committee
 FROM: Don Sawyer, Business Manager
 DATE: April 11, 2009
RE: FY2010 Bus Transportation Budget

The Committee will need to take formal action at the meeting on April 14th to award the bus transportation contract for the 2009-2012 school years.

Since this action will impact the transportation services provided along with the impact to school operating budgets for FY2010 and subsequent years, careful consideration and planning for future years is warranted in reaching a final decision.

Comparative summary of the bus transportation services budget including school operating budget impact and the subsequent revised school budget as follows:

	--- FY2010 Transportation Budget ---				
	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>	<u>Option 5</u>
General Ed Transportation	\$940,524	\$781,144	\$918,730	\$918,730	\$581,784
SPED OOD Transportation	467,000	467,000	467,000	467,000	467,000
<u>Vocational School Transportation</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>
TOTAL FY2009 SCHOOL BUDGET:	1,419,524	1,260,144	1,397,730	1,397,730	1,060,784
FY10 Town Manager Budget (Budget Formula) as of 3/3/09	\$1,277,255	\$1,277,255	\$1,277,255	\$1,277,255	\$ 1,277,255
FY10 Town Manager Budget (Budget Formula) as of 3/9/09	\$1,283,413	\$1,283,413	\$1,283,413	\$1,283,413	\$ 1,283,413
FY10 Town Manager Budget (Budget Formula) as of 4/7/09	\$1,275,310	\$1,275,310	\$1,275,310	\$1,275,310	\$ 1,275,310
FY10 Budget +/- \$:	(\$144,214)	\$15,166	(\$122,420)	(\$122,420)	\$ 214,526
Revised School Operating Budget:	\$17,235,475	\$17,394,855	\$17,257,269	\$17,257,269	\$ 17,594,215

I realize that this is an extremely difficult decision given the economic outlook for the next three to four years.

In an effort to assist the Committee in the process, I have provided the details for each of the five (5) options along with comments and the resultant impact for each option to the school operating budget below.

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1. **Current Service Level** – no change to current services for Grades K thru 12, one mile minimum radius from applicable school buildings.

Current					
<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>3 yr Total</u>	
\$ 827,980	\$ 940,524 +13.59%	\$ 971,844 +3.33%	\$ 1,003,534 +3.26%	\$ 2,915,892	

	<u>2009-2010</u>
General Ed Transportation	\$940,524
SPEL OOD Transportation	467,000
<u>Vocational School Transportation</u>	<u>12,000</u>
TOTAL FY2009 SCHOOL BUDGET:	1,419,524
FY10 Town Manager Budget (Budget Formula) as of 3/3/09	\$ 1,277,255
FY10 Town Manager Budget (Budget Formula) as of 3/9/09	\$ 1,283,413
FY10 Town Manager Budget (Budget Formula) as of 4/7/09	\$ 1,275,310
FY10 Budget +/- \$:	\$ (144,214)
Revised School Operating Budget:	\$ 17,235,475

Option 1	
<u>Advantages:</u>	<u>Disadvantages:</u>
- No loss of current service level	- Major impact to school operating budgets
- No change to school start and end times	- Further reductions will need to be made in school budget
- No change to school operations	

Comments: Option #1 would require an additional ~\$200K reduction each year to the school operating budgets based on Year 3 (2011-2012).

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2. **Minimum Required by Law** – the minimum transportation services required by MGL which includes Grades K thru 6, two mile minimum radius from applicable school buildings.

<u>Current</u> <u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>3 yr Total</u>
\$ 827,980	\$ 781,144 -5.66%	\$ 807,064 +3.32%	\$ 833,344 +3.26%	\$ 2,421,552

	<u>2009-2010</u>
General Ed Transportation	\$781,144
SPED OOD Transportation	467,000
<u>Vocational School Transportation</u>	<u>12,000</u>
TOTAL FY2009 SCHOOL BUDGET:	1,260,144
FY10 Town Manager Budget (Budget Formula) as of 3/3/09	\$ 1,277,255
FY10 Town Manager Budget (Budget Formula) as of 3/9/09	\$ 1,283,413
FY10 Town Manager Budget (Budget Formula) as of 4/7/09	\$ 1,275,310
FY10 Budget +/- \$:	\$ 15,166
Revised School Operating Budget:	\$ 17,394,855

Option 2	
<u>Advantages:</u>	<u>Disdvantages:</u>
- No adverse impact to school operating budget	- Impacts all grade levels with loss of service
- No change to start and end times.	- Impacts Town DPW with snow & ice removal
	- Impact of increased school building traffic
	- Elimination of service to high school students
	- Elimination of service to Our Lady of the Valley

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3. **Eliminate High School Transportation** – include Grades K thru 8, one mile minimum radius from applicable school buildings.

<u>Current</u>								
<u>2008-2009</u>		<u>2009-2010</u>		<u>2010-2011</u>		<u>2011-2012</u>		<u>3 yr Total</u>
\$ 827,980		\$ 918,730	+10.96%	\$ 950,050	+3.41%	\$ 981,730	+3.33%	\$ 2,850,510

	<u>2009-2010</u>
General Ed Transportation	\$918,730
SPED OOD Transportation	467,000
<u>Vocational School Transportation</u>	<u>12,000</u>
TOTAL FY2009 SCHOOL BUDGET:	1,397,730
FY10 Town Manager Budget (Budget Formula) as of 3/3/09	\$ 1,277,255
FY10 Town Manager Budget (Budget Formula) as of 3/9/09	\$ 1,283,413
FY10 Town Manager Budget (Budget Formula) as of 4/7/09	\$ 1,275,310
FY10 Budget +/- \$:	\$ (122,420)
Revised School Operating Budget:	\$ 17,257,269

Option 3	
<u>Advantages:</u>	<u>Disadvantages:</u>
- No loss of current service level for other schools	- Major impact to school operating budgets
- No change to school start and end times	- Further reductions will need to be made in school budget
- No change to school operations	- Elimination of service to High School students

Comments: Option #3 would require an additional ~\$180K reduction each year to the school operating budgets based on Year 3 (2011-2012). Elimination of this bus run for High School service saves ~\$22K per year versus providing the service.

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4. **Combine UHS & Whitin Middle School Transportation** – change school day start/end times at UHS and Whitin in order to provide service to both schools in one bus run. This option would translate into two total bus runs per day.

<u>Current</u> <u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>3 yr Total</u>
\$ 827,980	\$ 918,730 +10.96%	\$ 950,050 +3.41%	\$ 981,730 +3.33%	\$ 2,850,510

	<u>2009-2010</u>
General Ed Transportation	\$918,730
SPED OOD Transportation	467,000
<u>Vocational School Transportation</u>	<u>12,000</u>
TOTAL FY2009 SCHOOL BUDGET:	1,397,730
FY10 Town Manager Budget (Budget Formula) as of 3/3/09	\$ 1,277,255
FY10 Town Manager Budget (Budget Formula) as of 3/9/09	\$ 1,283,413
FY10 Town Manager Budget (Budget Formula) as of 4/7/09	\$ 1,275,310
FY10 Budget +/- \$:	\$ (122,420)
Revised School Operating Budget:	\$ 17,257,269

Option 4	
<u>Advantages:</u>	<u>Disadvantages:</u>
- No loss of current service level for other schools	- Major impact to school operating budgets
- No change to school operations	- Further reductions will need to be made in school budget
	- Elimination of service to High School students
	- Requires a change in start / end times for Whitin & UHS

Comments: Option #4 would require an additional ~\$180K reduction each year to the school operating budgets based on Year 3 (2011-2012). Elimination of the third bus run saves ~\$22K per year versus providing the service.

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5. **Split Taft Elementary School Transportation** – divide school day start/end times at Taft for Grades K thru 2 combined and Grades 3 thru 4 combined. Since the elementary school bus run currently requires the highest number of buses to be maintained in the total fleet, this option reduces the required total fleet size. This option would require additional sub-options:

- a) Would necessitate a fourth bus run in order to provide UHS with transportation;
- b) Eliminate UHS transportation should a fourth bus run not be an option.
- c) Combine Whitin and UHS student transportation on same bus run.

<u>Current</u> <u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>3 yr Total</u>
\$ 827,980	\$ 581,784 -29.73%	\$ 600,504 +3.22%	\$ 619,584 +3.18%	\$ 1,801,872

	<u>2009-2010</u>
General Ed Transportation	\$581,784
SPEL OOD Transportation	467,000
<u>Vocational School Transportation</u>	<u>12,000</u>
TOTAL FY2009 SCHOOL BUDGET:	1,060,784
FY10 Town Manager Budget (Budget Formula) as of 3/3/09	\$ 1,277,255
FY10 Town Manager Budget (Budget Formula) as of 3/9/09	\$ 1,283,413
FY10 Town Manager Budget (Budget Formula) as of 4/7/09	\$ 1,275,310
FY10 Budget +/- \$:	\$ 214,526
Revised School Operating Budget:	\$ 17,594,215

Option 5	
<u>Advantages:</u>	<u>Disdvantages:</u>
- Major savings in cost of services	- Requires a change in start / end times at all schools
- School operating budget benefit	- Requires operational changes

Comments: Option #5 would add an additional ~\$207K each year to the school operating budgets based on Year 3 (2011-2012). Options for High School service must be determined.

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In conclusion, I would submit my recommendation for school bus transportation to the Committee as follows:

1. Option 5 – Split Taft Elementary School Transportation

With an approximately \$207K savings each year based on the third year of the contract (highest annual cost), this option will necessitate the following:

- a) New start and end schedule times for all schools;
- b) A communication action plan to students and families;
- c) Applicable modifications to school operations;
- d) Final decision on High School transportation.

2. Resultant Additional Revenues Gained

While tempting to use the additional savings gained by this option toward the reinstatement of current school operating budget reductions for FY2010, it would not be a prudent use of these monies given the demonstrated budget shortfalls forecasted for the next three to four years.

Alternatively, I highly recommend using these funds to replace the current use of “Stimulus Funding” in the FY2010 School Budget recommendation.

Although the definitive details on “Stimulus Funding” totals, payment specifics over the period, and the specific use of these monies are not available, it is known that final funding will be for two (2) years only.

Supplanting “Stimulus Funding” in the current FY2010 budget recommendation would solidify the operating budget while allowing for the intended use of the “Stimulus Funding”.

3. Special Education Out-of-District Transportation

As the costs for SPED OOD transportation will continue to rise, I recommend the procurement of additional vans to minimize these expenses. The cost to purchase a van is approximately \$18,000 (current year price) while the cost for transportation in this category averages \$30,000 annually.