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A Performance Audit

of

School Busing

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Digest of
A Performance Audit of School Busing

Chapter I: Introduction

A successful student transportation system is reliant on the Utah State Office of Education (USOE) and school districts working together. State funding provides the majority (up to 85 percent) of transportation costs for students to go to and from school, while school districts pay for other busing costs such as activities and field trips. For fiscal year 2008, state funding for pupil transportation was approximately $76.2 million.

Chapter II: Standards for Drivers Should Be Strengthened and Compliance Ensured

Evaluation and Monitoring of Driving Records Needs to Be Improved. We reviewed the Motor Vehicle Records (MVRs) of approximately 2,700 bus drivers and found no concerns with most of them. However, we found 10 drivers who have significant moving violations on their MVRs (e.g., suspended license, DUI, etc.) that cause us to question their ability to transport children on a bus. The USOE should establish an effective automated process to routinely check MVRs and identify problem drivers. In addition, USOE should consider developing a screening system tailored to school bus drivers, as used in some other states, rather than relying on the MVR point system used to evaluate all drivers.

Criminal Background Checks of Bus Drivers Present Concerns. Some bus drivers have criminal convictions involving violence that appear to disqualify them from driving. Based on our understanding of existing standards, nine current bus drivers should not have been hired because of criminal convictions. We also found five current drivers who were convicted of criminal offenses after they were hired. These offenses appear to disqualify them from driving children on a school bus. Due to privacy issues, we could not discuss specific drivers with districts; however, without identifying individuals, we did inform each district about moving violations and convictions that presented concerns.

Chapter III: USOE Should Improve Oversight of Busing Data

Distribution Formula for School Busing Operations Presents Some Concerns. The allocation of state funding to school districts is reliant on accurate data. Unfortunately, the accuracy and consistency of statistical and financial data submitted by school districts is questionable. The poor data includes the miles buses are driven, the minutes buses are operated, and the funds spent on different types of transportation. The USOE needs to ensure that school districts are recording and reporting busing information in a consistent and accurate manner.

USOE Should Improve Process for Collecting and Monitoring Data. State oversight of school busing can further be enhanced by improving the process for collecting and monitoring data. Specifically, the USOE should consider having busing data reported online by districts and ensuring that adequate review of submitted data is occurring. In order to enhance the review of submitted data, the USOE should devote more time to analyzing the data and then following up on identified concerns.

Chapter IV: School Busing Operations and Reporting Can Be Improved

Inconsistent Data Hinders the Use of Performance Measurements to Evaluate District Efficiencies. Improving consistency of data reported by districts through increased direction and policies will allow for the use of performance measurements by the USOE and school districts to aid in the identification of operational efficiencies.

Utilization of School Buses Should Be Evaluated. Throughout the state, buses appear to be underutilized for to/from transportation. Frequently, the largest buses transport far fewer students than the buses can carry. Districts should seek to enhance utilization by keeping bus capacity in mind when buses are being purchased.

Depreciation of School Buses Should Be Revised. The accounting of depreciation money that school districts receive has two problems. First, school districts have received money for buses that should have already been fully depreciated. The state may have paid nearly $1.3 million in depreciation money to districts for the current fleet of buses in the state that were already fully depreciated. Second, money allocated to districts is not identified as money for depreciation. Therefore, these funds are often not set aside to replace buses, which can lead to aging fleets.

Chapter V: State Board of Education Should Address Bus Usage

Buses Rented Out for Non-Pupil Transportation Present Liability and Legal Concerns. The State Board of Education should address bus usage in order to minimize legal and liability risks. At least 12 school districts rent out buses for activities not associated with pupil transportation, such as scouting, city marathons, and summer programs. Rental payments for these activities may not recover the costs. The potential liability and legal risks associated with this practice merit clarification by administrative rule.

Risk Associated with Travel over State Lines Should Be Addressed. The State Board of Education should also address school buses traveling over state lines. Currently, at least 21 school districts allow this practice, and the potential liability risks associated with this practice merit clarification through administrative rule.

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Chapter I
Introduction

Utah's 40 school districts transport approximately 174,680 students a day to and from school. In addition to to/from transportation, school districts transport approximately 500,000 students per year for activities and field trips. State funding provides the majority (up to 85 percent) of transportation costs for these students to go to/from school, while school districts pay for all other busing costs.

School busing is the safest means of transporting children to and from school.

Nationwide, school buses have a rate of just .01 deaths per 100 million miles, compared to .94 in passenger cars. School busing is, by far, the safest means of transporting students to school, and the busing of Utah children is done effectively. This is evident by the fact that students, for the most part, are picked up and dropped off on time and in a safe manner. While pupil transportation is done effectively in Utah, the efficiency of operations can be improved. The importance of improving operations is becoming more and more essential as fuel and other costs associated with school busing continue to increase.

Effective Pupil Transportation Program Dependent on Multiple Entities

A successful student transportation system is reliant on multiple entities. The Utah State Office of Education (USOE) provides direction and oversight for busing operations. According to the *Standards For Utah School Buses and Operations*, the objectives of the USOE include the following:

- A clear and concise transportation policy
- A cost accounting system for all expenditures in the area of pupil transportation
- A statewide data management system to accommodate pupil transportation data
- A comprehensive school bus operator training program
- Visits to local districts to evaluate transportation systems and provide direction as necessary

This work is done primarily through a state transportation specialist whose duties include:

- Collecting and analyzing statistical and financial data
- Allocating state pupil transportation funds
- Conducting transportation audits
- Planning and directing training for pupil transportation personnel

An effective pupil transportation program is dependent on the state and school districts working together.

The state transportation specialist works mainly through district transportation directors, who are charged with:

- The recruitment, selection, instruction, and supervision of personnel
- Routing and scheduling buses
- Developing and implementing pupil transportation safety instructional programs
- Maintaining records and preparing reports

In addition to these key personnel, school districts are relied on to prepare and report accurate financial statements. They submit the Annual Financial Reports (AFR) and Annual Program Reports (APR) each year. The AFRs are used by the USOE to determine the statewide reimbursement rates for miles and minutes, which is the main method of reimbursement used by the state. The APR is used to allocate the transportation expenditures to to/from transportation, as this is the part of the busing program that the Legislature funds up to 85 percent. Without all of these entities working together, effective student transportation and funding would not be possible.

State Oversight of Pupil Transportation Can Be Further Improved

Our review of the oversight of pupil transportation in Utah indicates that the USOE has improved significantly over the last several years. For example, ***Utah Code*** 53A-17a-127 states that "a Transportation Advisory Committee . . . shall serve as a review committee for addressing school transportation needs." For a number of years, this committee was not meeting, even though they are statutorily required to meet at least annually. However, in the past two years, the functions of this committee have been improved.

Following a Legislative Fiscal Analyst report on pupil transportation to the Executive Appropriations Committee in July 2006, the USOE organized a Pupil Transportation Advisory Committee with representatives from:

- Utah School Superintendents Association
- Utah School Boards Association
- Utah Association of School Business Officials
- Utah Association for Pupil Transportation
- Utah Parent Teacher Association
- Utah State Office of Education

The advisory committee provided input for a report to the Executive Appropriations Committee that identified some critical funding needs and the need for additional data collection and processing. The report also set an objective of creating more accurate data to enable the USOE to provide better projections.

In 2007, the USOE established a funding formula study committee to make recommendations for changes to the formula to provide a simplified formula that would be more transparent and provide increased equity across the state. The formula study committee used projected data models and made recommendations that were approved by the Utah State Board of Education and the Utah Association of School Business Officials.

In addition to the work done by the formula study committee, with input from the Pupil Transportation Advisory Committee, the USOE established an organizational structure with seven specific pupil transportation subcommittees. These subcommittees were formed to review and, if necessary, update the *Standards for Utah School Buses and Operations*. This is an important step in ensuring that standards are up to date and that school districts are operating safely and consistently across the state. The seven subcommittees are:

- Operations & Security Standards
- Instruction & Certification Standards
- Bus Body/Chassis & Technician Standards
- Special Needs & Pre-School Standards
- Routing & Data
- Drug & Alcohol Policy Committee and Testing Program
- Bus Life-Cycle Committee & Fleet Management

While improvements have been made, additional work can still be done to improve the oversight of school busing operations throughout the state, as will be discussed throughout this report.

School Busing Operations Require Significant State and Local Funding

Transportation costs exceeded $110 million dollars in 2007.

In 2007, transportation expenditures surpassed $110 million, requiring significant state and local funding. Figure 1.1 shows a breakdown of how this money was spent.

Figure 1.1 Transportation Expenditures for 2007. Two-thirds of transportation expenditures are spent on salaries and benefits. Fuel and bus purchases account for the majority of other expenditures.

Expenditure	Cost in Millions	Percent of Total
Driver Salaries	$ 38.8	34.6 %
Other Salaries	13.3	11.9
Benefits	21.9	19.5
Fuel	10.5	9.4
Buses	15.2	13.5
All Other Costs	12.5	11.1
Total	**$ 112.2**	**100.0 %**

State funding is used to support to/from transportation only.

State appropriations are used by school districts to fund to/from transportation only. Activities, field trips, and ineligible routes are all funded through transportation levies and Minimum School Program funds. Figure 1.2 shows the amount of state funding relative to to/from expenditures.

Figure 1.2 Transportation Funding and Expenditures Have Grown. Reported to/from expenditures grew 26% between 2004 and 2007, while funding grew 20%.

Year	Reported To/From Expenditures	State Funding	Percent of Reported To/From Funded by State
2007	$ 85,307,648	$ 65,253,194	76.5 %
2006	78,817,933	57,007,730	72.3
2005	70,075,339	55,079,933	78.6
2004	67,649,342	54,292,689	80.3

Expenditures and state funding data do not include the Utah Schools for the Deaf and Blind.

State funding for transportation exceeded $76 million for fiscal year 2008.

The percentage of expenditures covered by state funding had decreased by 8 percent from 2004 to 2006. A supplemental appropriation of $5 million in 2007 helped bring the percentage back to 76.5 percent. In addition, the amount of funding allocated for fiscal year 2008 increased to $76,186,713, due in part to an $8 million one-time supplemental appropriation. As will be discussed in Chapters III and IV of this report, there are concerns with the reliability of the expenditure data. For example, some districts appear to be allocating too much to to/from transportation which would have the affect of inaccurately showing a lower percentage of state funding received. While the data does present concerns, it can still be used to show trends.

In the 2008 General Session, ***Utah Code*** 53a-17a-126 was amended to read, "The state shall contribute 85 percent of approved transportation costs, subject to budget constraints." Approved transportation costs for eligible students is defined in the subsequent section of the ***Utah Code*** as elementary students living more than one-and-a-half miles from the school and secondary students living more than two miles from the school.

38 of the 40 school districts use a special transportation tax levy to collect revenues for transportation.

In addition to state funding, significant funding from other sources is required. In 2008, 38 of the 40 districts had a special transportation tax levy in place to collect revenues for transportation. This money may be used for interscholastic activities, night activities, field trips, and the replacement of school buses. Since these funds cannot be used for to/from costs, the other 15 percent of to/from costs—and any additional funding required for bus purchases, to/from transportation, and activity

and field trips—must come from capital outlay or Minimum School Program funds.

Audit Scope and Objectives

The Office of the Legislative Auditor General was asked to review pupil transportation programs in school districts for the purpose of measuring the efficiency of operations throughout the state. Specifically, we were asked to accomplish these objectives:

- Evaluate the standards for school bus drivers and school districts' compliance (Chapter II).
- Evaluate the funding distribution mechanism and state oversight of school busing information (Chapter III).
- Evaluate school busing operations and reporting of data (Chapter IV).
- Evaluate bus usage throughout the state (Chapter V).

To accomplish this assignment, we completed the following:

- Reviewed and analyzed the screening process used by school districts for bus drivers, this included running independent criminal background and MVR checks on bus drivers to test each district's compliance.
- Conducted interviews with state and district officials.
- Studied the financial and statistical data reports of districts, as well as the new distribution formula.
- Visited multiple districts to observe operations and sent out questionnaires to all 40 school districts.
- Reviewed operational practices of the USOE in terms of school busing.
- Compared state standards and practices to those of other states and recognized best practices in the field of pupil transportation.

Chapter II
Standards for Drivers Should Be Strengthened and Compliance Ensured

Standards governing bus drivers have deficiencies, and compliance concerns were found.

Our review of the standards governing bus drivers throughout the state found concerns. Overall, we found the standards that govern the screening and evaluating of bus drivers to be insufficient in detail and lacking in enforcement. These problems have caused wide variations among districts as to what is being done to comply with the standards. Addressing these problems will help ensure that bus drivers are adequately screened and trained in order to carry out their function of safely transporting Utah's students. This chapter addresses three major areas of concern.

First, some current bus drivers may not be considered safe drivers. Specifically, we found 10 drivers who have moving violations on their Motor Vehicle Records (MVRs) that cause us to question these drivers' decision-making skills behind the wheel of a vehicle. If the Utah State Office of Education (USOE) strengthened and enforced their standards for current drivers or adopted standards similar to those of other states, these individuals would not be allowed to drive a bus.

Second, some bus drivers have criminal convictions on their records that should disqualify them from driving. We found nine current bus drivers who should not have been hired because of criminal convictions. We also found five current drivers who were convicted of criminal offenses after they were hired. These convictions should have disqualified them from driving children on a school bus. Due to privacy concerns, we were unable to share the names of these individuals with the school districts they work for. However, we did inform each school district about specific moving violations and/or criminal convictions that presented concerns.

Third, we found concerns with the physical assessments and training of drivers. Although the USOE has a standard for the annual physical assessment of bus drivers, its use by districts is optional. This is concerning, because this assessment tests a bus driver's ability to operate a bus safely and evacuate a child if necessary. In addition, we found that some drivers are not in compliance with training requirements designed to ensure that bus drivers are competent and know their duties.

Evaluation and Monitoring of Driving Records Needs to Be Improved

Standards for evaluating and monitoring the driving records of bus drivers need to be improved.

Standards for evaluating and monitoring the driving records of bus drivers need to be improved. Specifically, we found a breakdown in the monitoring of bus drivers in that the Motor Vehicle Records (MVRs) of five drivers showed that these individuals should not be allowed to drive a bus. The USOE has no standard for the evaluation of current bus drivers but could easily strengthen their standards to address this issue. Because of this, we compared the MVRs of Utah bus drivers to those of another state and identified a total of 10 drivers (inclusive of the five listed above) who should not be allowed to drive a bus.

We found drivers who had multiple tickets on their driving records or tickets that are considered serious according to the parameters outlined in Utah's commercial driver's license (CDL) handbook. We also found that standards for evaluating bus drivers need to be developed, and the process for reviewing MVRs needs to improve. Strengthening standards for the evaluation of bus drivers and enhanced monitoring of drivers' MVRs will help ensure that school districts are employing safe drivers.

For this audit, we obtained driver information from 36 of the 40 school districts (Juab, Park City, Rich, and Wayne school districts did not submit driver data to us). We reviewed the MVRs of all bus drivers from 36 districts and found concerns about the current screening and evaluation process of bus drivers in the state.

Motor Vehicle Records of Some Drivers Present Concerns

88 of 2683 drivers were found to have multiple tickets or serious violations on their MVRs.

We obtained a list of all bus drivers in 36 of the 40 school districts and ran an MVR check on these drivers. Of the 2,683 records we checked, only 3 percent, or 88 drivers, were found to have multiple tickets or serious violations on their records. Although this is a small percentage of the total bus drivers, it should be each district's goal to ensure that all of their bus drivers are safe drivers. According to the Utah CDL handbook, a serious violation could include any one of the following:

- Speeding 15 mph or more over the posted speed limit
- Reckless driving
- Improper lane changes

- Following a vehicle too closely
- Violation of any other motor vehicle traffic law which arises in connection with a fatal traffic accident.
- All violations for which mandatory suspension or revocation of drivers license are required

As shown in Figure 2.1, we found instances where drivers should not have been driving. This figure illustrates examples of the serious violations found on five drivers' records that should disqualify them from driving a bus.

Five drivers have been allowed to drive a bus who clearly should not have been.

Figure 2.1 Examples of Serious Violations Five Current Bus Drivers Have on Their Records. The following infractions should disqualify a bus driver in the state of Utah, but they were overlooked by school districts.

1. A driver was hired and drove for years while his/her license was suspended for driving under the suspicion of alcohol/drugs. The driver was cited again for driving under the influence of drugs or alcohol and refusal to submit to a test. Following this conviction, the driver was terminated. (Both of these convictions disqualifies a driver for 10 years, but the first conviction was overlooked).
2. A current mechanic/sub bus driver was driving with a DUI on his/her record. (Driver should have been disqualified for 10 years.)
3. A driver was driving with a revoked license. When the revoked license was identified later by the district, this driver was terminated. (The MVR does not explain why the license was revoked.)
4. A current driver was driving on a denied license. (The MVR does not explain why the license was denied.)
5. A current driver was driving a bus without having a school bus endorsement. (An endorsement is required to legally drive a bus.)

The five examples illustrated in Figure 2.1 are concerning because they show that some school districts are either not screening their drivers before they are hired or are not adequately reviewing the MVRs of their current bus drivers.

Standards for Evaluating Bus Drivers Need to Be Developed

Implementation of the standard for evaluating potential bus drivers is insufficient, and no standard exists for the evaluation of current bus

drivers. This is concerning because of the vital role that bus drivers play. The USOE standard for screening potential drivers states:

> The applicant's past driving record shall be researched. The applicant must not have more than 100 points recorded to be a qualified candidate.

Standards for screening new drivers are lacking in detail, and no standard exists for the evaluation of current drivers.

The USOE's pupil transportation specialist informed us that the current review process is too complicated, and districts are either not screening new drivers correctly or are simply doing it their own way. We found districts have had difficulty applying the point system because they use MVR records that do not include all information needed to calculate points. However, that problem may be solved by districts simply requesting MVR records with point totals included.

Another concern with the existing point system is that it is a generic system for all types of drivers and is not specifically designed for the evaluation of bus drivers. A Department of Public Safety official informed us that the use of their point system may not be the best means for evaluating school bus drivers. For example, some violations that other states consider important in evaluating bus drivers' records (such as driving on a suspended license) are not assigned any points in Utah.

Some districts only require their drivers to notify them when they get a ticket and do not have penalties for drivers with bad personal driving records.

While the standard for evaluating potential drivers may be insufficient, no standard exists for the evaluation of current bus drivers. This could easily be fixed by simply applying the 100-point standard for potential drivers to current drivers as well. We found that some districts only require their drivers to notify them when they get a ticket and do not have penalties for drivers with bad personal driving records. For example, Jordan and Nebo school districts only require their drivers to alert them when they get tickets, and no penalty will be assessed. But if a driver does not report a ticket to the district and the district finds out about it, points are assessed to the driver.

When asked, some districts stated that since the standards do not specify a means for evaluating current drivers, they feel they cannot enforce one. During the course of this audit, we talked to district transportation directors throughout the state and were informed that it would be beneficial for the standards to require that school districts check driving records each year and have a methodology in place for evaluating the various tickets a bus driver can receive.

We found that other states have developed methods specifically designed for the evaluation of bus drivers, and we feel that the USOE should do the same. This standard will help school districts evaluate the decision-making ability of potential and current bus drivers when they are behind the wheel of a vehicle.

USOE needs to develop a standard designed for the evaluation of new and current bus drivers.

This standard should clearly identify how bus drivers are to be evaluated so there is consistency throughout the state when evaluating potential and current bus drivers. The methodology should be based on incidents that are recorded on a person's MVR and should specify how long infractions will count against a driver. An official from the Department of Public Safety informed us that this would be better than the current point system for the evaluation of current or potential bus drivers. To help illustrate this point, the Pupil Transportation Safety Institute (PTSI) lists the following as best practices for school busing transportation departments in evaluating potential and current bus drivers:

- Bus driver applicants with more than three moving violations on their driving records during the previous three years are not hired.
- During their employment, bus drivers with more than three moving violations (in buses or in personal vehicles) within a three-year period are terminated.
- During their employment, bus drivers with more than three preventable accidents on their driving record (in buses or in personal vehicles) within a three-year period are terminated.

Several states have driving standards specifically designed for bus drivers.

We found several states have developed methods specifically designed for evaluating the driving records of bus drivers. For example, Texas has the following standard:

> The driver's license record of each school bus driver shall be evaluated at least annually. Any person who has accumulated ten (10) or more penalty points shall be considered ineligible to transport pupils until such time as he/she may become qualified.

Texas' standard is specifically designed toward evaluating bus drivers. The standard in Texas specifies the type of ticket and its corresponding point value. As shown in Figure 2.2, we compared Utah school bus drivers'

MVRs to the point system used to evaluate bus drivers in Texas. From this comparison, we were able to determine that some Utah school bus drivers would be disqualified from driving a bus in Texas.

Figure 2.2 Using the Texas Standard, Any Driver with 10 or More Points Is Not Allowed to Drive a Bus. Some school districts have drivers who would be disqualified from driving if the USOE employed the same point system that Texas uses to evaluate bus drivers.

Number of Drivers	Number of Violation Points
10	10 or more
13	9
65	6

Ten drivers in Utah would not be driving if Texas' standards were used.

Each of the 10 drivers listed in Figure 2.2 (5 of them are also listed in Figure 2.1) with 10 or more points had anywhere from one to six moving violations on their MVRs. Two of these drivers had point totals of 25 and 33 under Texas' standard. The moving violations on these two drivers' MVRs are illustrated in Figure 2.3 below.

Figure 2.3 Two of the 10 Bus Drivers with High Point Totals. These two bus drivers would currently have 33 and 25 total points under the Texas standard.

Driver A - 33 Total Points	
11/17/2005 - Convicted - Driving on Suspended License	10 Points
03/12/2007- Convicted - Driving While License Denied	10 Points
05/03/2007- Convicted - Driving While License Denied	10 Points
08/03/2007- Convicted - Speeding	3 Points
Driver B - 25 Total Points	
03/10/2006- Convicted - Speeding	3 Points
05/18/2006- Convicted - Speeding	3 Points
05/26/2006- Convicted - Speeding	3 Points
04/19/2007- Convicted - Improper U-Turn	3 Points
08/16/2007- Convicted - Failure to Yield	3 Points
03/19/2008- Convicted - Driving While License Denied	10 Points

The development of a point system specifically designed for the evaluation of new and current bus drivers would help ensure districts are hiring and maintaining safe bus drivers. As previously stated, Texas has a list of all traffic tickets that can count against a bus driver's record and the point value associated with each violation. This process makes it clear and precise as to the points that should be assigned to tickets, and it creates a universal standard for Texas school districts to use when they evaluate potential and current school bus drivers.

The USOE should either strengthen the 100-point standard to include current drivers or develop a standard similar to that of other states that can be used by school districts in evaluating current and potential bus drivers. Taking one of these two approaches will create a method for evaluating drivers' MVRs consistently throughout all school districts and will help ensure that districts are employing safe drivers.

School districts are not annually reviewing MVRs of bus drivers even though it is required by administrative rule.

Review of Motor Vehicle Records Needs to Be Improved

According to data collected by the USOE, 26 school districts, or 65 percent, ran an annual check of their drivers' MVRs in 2007. This means

that 14 school districts, or 35 percent, have not been regularly checking their drivers' MVRs. The school busing standards for the state do not specify that school districts are required to check drivers' MVRs after they have been hired. The fact that the standards do not require annual MVR checks is concerning because *Administrative Rule* R37-1-8 requires entities who are covered by Risk Management to annually check the MVRs of their drivers.

Also, states such as Idaho, Colorado, Oregon, and Texas require their school districts to annually check their bus drivers' driving records. PTSI also states the annual review of MVRs is a recognized best practice for pupil transportation departments. An example of the importance of school districts prescreening drivers and annually checking the driving records of all bus drivers is illustrated in Figure 2.4 below.

Annual review of MVRs is a recognized best practice.

Figure 2.4 Example of why School Districts Need to Screen and Monitor the Driving Records of Bus Drivers. This driver (also included in Figures 2.1 and 2.2) should have never been hired, let alone retained and promoted by the school district. If the district would have adequately done MVR checks, this driver would not have been allowed to transport children.

MVR checks are essential to avoid employing someone as a bus driver who should not be allowed to transport children.

A driver was hired by a district in 2001 to be a substitute driver even though the drivers' license was suspended for driving under the suspicion of alcohol/drugs. The district failed to identify this problem on a number of occasions.

- 2001 Pre-Employment MVR Check - Failed to Identify
- 2002 Annual Check - Failed to Identify
- 2003 Annual Check - Failed to Identify
- 2004 Driver Quits
- 2005-06 Driver Rehired - MVR Check - Failed to Identify
- 2007 Annual Check - Failed to Identify

In March 2008, driver has license disqualified for refusal to submit to a drug and alcohol test. In May 2008, the school district released the driver.

We found it to be a common practice in Utah for school districts to rely on their drivers to alert them when they receive a ticket. A system reliant on drivers informing districts when incidents occur is a system bound to fail if the districts do not check their drivers' MVRs. Districts should, at a minimum, be required to review their drivers' MVRs at least annually as required by administrative rule, and the USOE should ensure that school districts are in compliance.

Automated Process Should Be Developed For Reviewing Bus Drivers' MVRs

The USOE can use a system similar to Fleet Operations to monitor MVRs of bus drivers.

Once the USOE has developed a standard for the evaluation of bus drivers, the USOE needs to create a system capable of monitoring bus drivers to ensure compliance. The USOE should consider working with the Department of Public Safety to develop a system similar to the one being used by the Division of Fleet Operations and Surplus Services. Fleet Operations reviews all state employees' MVRs on a weekly basis. Their system is integrated with Public Safety and creates a report of drivers in state government who are ineligible to drive state vehicles. Fleet Operations has been checking state employees' MVRs since 2003. The USOE could operate a similar system and alert school districts about drivers who are in violation of standards.

From our review of sampled states, we found that Arizona and Washington have systems similar to Fleet Operations for their bus drivers. Their systems automatically check driving records every week on all bus drivers to see if a driver has any infractions. A report is generated from this query, and districts are notified if one of their drivers is on the report.

Enhanced monitoring and a methodology designed specifically for the screening and evaluating of school bus drivers would help school districts monitor and evaluate their drivers. Once a methodology for the evaluation of drivers is in place, the USOE may want to consider requiring additional training for drivers who reach a certain threshold. This practice would be in-line with the PTSI's recommendations that drivers with identified safety problems receive appropriate retraining before returning to duty and be observed more frequently.

Criminal Background Checks of Bus Drivers Present Concerns

Standards addressing the criminal background checks for school bus drivers need to be strengthened and enforced. We found that districts have hired bus drivers with convictions that were in violation of the state's hiring standard. We also found instances where bus drivers were convicted of crimes after they were hired that would disqualify them from driving a bus. To address this concern, background checks may be needed after a period of employment has passed.

The USOE may also want to consider revisiting the list of disqualifying criminal convictions and strengthening it. Finally, we found that the standards addressing the type of criminal background checks being conducted by school districts should be strengthened.

School Districts Have Hired Bus Drivers with Convictions That Violate State Standards

Nine school bus drivers have been cleared by school districts to be hired as drivers when they should not have been because of criminal convictions. We found that the primary cause of this problem was that district human resource directors were not aware of the state's hiring standard for bus drivers. As shown in Figure 2.5 below, nine people who clearly should not have been hired were employed in six different school districts. As will be discussed later, no person can be employed as a school bus driver who has been convicted of any crime involving violence or the threat of violence.

Nine bus drivers have criminal convictions that should have prevented them from being hired.

Of the six different school districts that hired these nine individuals, the human resource departments in five of them were responsible for running criminal background checks on new employees. We found that these departments were not aware of the state's hiring standards for new bus drivers. The transportation department in the other school district was responsible for running the criminal background check, and they were aware of the standard but either did not enforce the standard or simply did not run the criminal background check. As previously mentioned, based on privacy concerns, we were unable to share the names of these individuals with the school districts they worked for. However, we did inform each school district about specific moving violations and/or criminal convictions that presented concerns.

Figure 2.5 Some Drivers Have Been Hired Whose Criminal Convictions Should Prohibit Them from Driving a School Bus. Some districts have hired people who have convictions involving violence, which violates the state's hiring standard.

Number of Drivers	Description of Conviction
1	Aggravated Assault*
3	Simple Assault
1	Assault on a Police Officer
1	Assault
1	Battery
1	Domestic Violence
1	Negligent Manslaughter

**This driver was also convicted of domestic violence in the presence of a child after being hired, as illustrated in Figure 2.6.*

Standards prohibit anyone with a criminal conviction involving violence or the threat of violence from being employed as a bus driver.

As shown in Figure 2.5, some school districts have hired people with violent convictions on their records, even though this is against the state standards. Because of the important function that bus drivers serve in safely transporting children, the USOE needs to make sure that all district human resource directors are aware of the hiring standards that are established for bus drivers and ensure that school districts are enforcing these standards.

Background Checks May Be Needed After A Period of Employment Has Passed

Five bus drivers have been convicted of a crime—since being hired—that should prevent them from driving a bus.

When checking the criminal backgrounds of bus drivers, we came across instances where drivers were convicted of disqualifying crimes after they had been hired. Shown in Figure 2.6 are examples of five people who had criminal convictions after they were hired to be bus drivers.

Figure 2.6 Some Drivers Have Been Convicted of Crimes After Being Hired. Five bus drivers were convicted of crimes after they were hired that should disqualify them from driving a bus.

Number of Drivers	Description of Conviction
1	Child Abuse/Neglect
1	Domestic Violence in the Presence of a Child*
1	Simple Assault/Domestic Violence
1	Assault
1	Simple Assault and DUI

**This driver was also convicted of aggravated assault before being hired, as illustrated in Figure 2.5.*

USOE may want to consider requiring background checks after predetermined years of employment have passed.

Unless the employee notifies the district of a conviction after they are hired, school districts have no way to find out about a crime unless they do a background check. Human resource directors told us that unless the person's conviction is in the paper or in the news, the only way for them to know if a crime has been committed is by doing another background check.

The PTSI recommends, as a best practice, that the criminal records of all transportation employees be continually monitored after they are hired. It may be beneficial for the USOE to consider requiring background checks on drivers at predetermined time intervals. Doing so would help school districts ensure that people employed as bus drivers are qualified for the job.

List of Disqualifying Convictions Should Be Revisited and Strengthened

The USOE standards list the criminal convictions that disqualify a person from being a bus driver; these convictions are shown in Figure 2.7.

Figure 2.7 State Standards List Criminal Convictions That Prevent a Person from Being a Bus Driver. The following list should be used by school districts to screen people who are seeking employment as bus drivers.

A check will be conducted to determine if an applicant has a record of criminal convictions. No person shall be employed or retained as a school bus operator in Utah who has been **convicted** of any of the following offenses:

(a) A crime involving violence or threat of violence (assault/battery, etc.).
(b) Driving any vehicle while under the influence of intoxicating liquor within the last 10 years.
(c) Driving while under the influence of habit-forming or illegal drugs during their lifetime.
(d) Leaving the scene of an injury/accident or manslaughter with a motor vehicle.
(e) A crime involving the use of a motor vehicle in conjunction with a fatality and/or felony.
(f) A sex offense crime involving force or minors.

Standards that prevent a person from driving a bus have not been updated since 1987.

We found that other states have hiring conditions similar to Utah's, but they also include other criminal convictions that would prevent a person from being hired. The USOE should consider strengthening the list of disqualifying convictions to include multiple convictions for crimes such as theft and possibly other convictions that would raise questions about a person's decision-making ability. The standard cited in Figure 2.6 has not been updated or changed since 1987.

We asked two human resource directors whether they would hire a person with a conviction of contributing to the delinquency of a minor (which is not currently a disqualifying conviction). We are aware of two current bus drivers who have been convicted of that crime (one driver has multiple counts). One director would not hire anyone with that conviction on their record, while the other said it would depend on how long ago it happened and the circumstances surrounding the incident. As previously mentioned, the standards addressing criminal convictions have not been updated since 1987. Therefore, it may be beneficial for the USOE to revisit and strengthen the list of convictions that may keep a person from being hired or retained as a bus driver and determine if other convictions, and a pattern of convictions, might need to be added to the list.

Standards for Criminal Background Checks Should Be Strengthened

Three different types of criminal background checks are used by school districts.

The Department of Public Safety runs the criminal background checks that are requested from the school districts. Three different options for conducting criminal background checks, as shown in Figure 2.8 below, are available to school districts.

Figure 2.8 Three Options for Criminal Background Checks. Three different types of background checks are conducted by the Department of Public Safety.

	BCI Name Check	BCI WIN Check	BCI Fingerprint/ FBI Check
Time to Process	7 - 10 Days	3 - 4 Weeks	3 - 4 Weeks
Cost of Check	$ 10.00	$ 15.00	$ 39.00
Utah Criminal History	✓	✓	✓
Utah Statewide Warrant and Protective Order	✓	✓	✓
Federal Want and Warrant Files	✓	✓	✓
Western Identification Network (WIN)		✓	✓
FBI Criminal History Files			✓

From the districts that responded to our requests, we found that 7 school districts require the BCI Name Check, 19 use the BCI WIN, and 7 school districts use the BCI Fingerprint/FBI Check background checks.

According to the Department of Public Safety, the problem with the BCI Name Check is that it is limited to just a name and a date of birth and does not ensure that an accurate criminal background check has been completed. The accuracy of this type of check is a concern because of the potential for identity theft. As shown in Figure 2.8, the charge for the background checks ranges from $10 to $39. School districts generally require potential employees to pay the fee for the background check. The BCI Fingerprint/FBI Check provides the most comprehensive background

information on a person. This is the background check that is required for all Utah school teachers.

The USOE should require the BCI Fingerprint/FBI Check for bus drivers.

A fingerprint check is the only way to provide a significant level of confidence that school districts are checking the correct person for their criminal background. From the states we surveyed, we found four western states that require the BCI/FBI background check for their bus drivers before they are hired. As previously mentioned, this is also the current standard for the hiring of teachers in Utah. The USOE should require school districts to use the BCI Fingerprint/FBI Check for bus drivers to ensure that school districts have the best information available to them when making hiring decisions.

Physical Assessment and Training Standards Need to Be Strengthened and Enforced

The USOE should require all school districts to use the physical assessment test annually for the evaluation of their bus drivers. The USOE has included a list of physical performance assessment guidelines in their standards. They encourage school districts to use this assessment for all bus drivers, but it is not currently a mandatory test. In addition to requiring the physical assessment, the USOE should also stipulate in the standards the consequences of failing any of the physical assessment requirements.

The USOE and the school districts need to ensure compliance with training standards and verify that bus drivers are maintaining their drivers' training hours. We found that some bus drivers are not in compliance with training requirements. Bus drivers are required to complete training and instruction every year. To have their commercial drivers license (CDL) renewed every five years, drivers must have 30 hours of training during this same time period.

Physical Assessment Standards Should Be Reviewed

The physical assessment test is currently not mandatory for bus drivers.

The USOE should require the physical performance assessment to be mandatory for becoming and continuing to be a bus driver in Utah. School districts should use the physical assessment to evaluate an applicant

or a current school bus driver to determine how well they perform functions directly related to the transportation of children.

A mandatory physical assessment test for bus drivers is a recognized best practice.

The PTSI recommends, as a best practice, that bus drivers pass a physical performance test to evaluate their physical ability to drive a school bus and evacuate students in an emergency. The primary reason for these guidelines is to enhance the safety of pupil riders.

One district transportation director stated, "Since the physical assessment is not mandatory, most districts do not administer the test to their drivers." This director also stated, "Not only is this test important for new drivers to pass, but it is equally important to administer this test to drivers who have been driving for years and may not be in the best physical condition." The requirement and enforcement of the physical assessment standard would allow districts to better evaluate their drivers and use it as a tool, if necessary, to eliminate drivers who cannot perform all the functions necessary to be a bus driver.

We found that other states, such as Colorado, Arizona, Oregon, and Washington, require their school districts to administer a physical assessment test to new and current bus drivers. These states require the test to be given to current drivers either every year or every two years. The drivers must pass the test to continue to be a bus driver.

Comparing Utah's physical assessment requirements to some other states, one notable difference is the 40 lbs. vs. 125 lbs. carry test. The test requires bus drivers in Utah to do the following:

> A seat belted driver must demonstrate the ability to leave the driver's seat and exit the school bus by the closed, rearmost emergency exit door, while carrying a bag that weighs a minimum of 40 lbs. within a time limit of 60 seconds.

The USOE should update their physical assessment requirements.

The purpose of this test is to simulate the driver being able to drag an injured student from the front to the end of the bus so the student could exit in an emergency. Arizona, Oregon, and Washington all require a similar test, but with a much higher weight-carry standard of 125 lbs. Colorado's weight-carry test is somewhat more demanding than Utah's with a 60-lb. standard. We believe that 40 lbs. may not be a realistic weight to ensure that bus drivers could reasonably meet the needs of students in the case of an emergency. We, therefore, recommend that the

USOE revisit the state's physical assessment requirements to ensure that the requirements are accomplishing their intended results.

Consequences should be associated with failing the physical assessment test.

In the standards, the USOE should also stipulate consequences for failing the physical assessment. The physical assessment's purpose is to ensure that bus drivers can perform their job and meet the needs of students in the case of an emergency. Therefore, it makes sense to enforce the physical assessment requirements. The transportation director for one district informed us that their district would not be able to fire a driver for failing a physical assessment because of potential lawsuits. This is because the standards do not stipulate the consequence of failing a physical performance test. A driver in this district failed the initial physical assessment and was allowed to continue to drive a bus. A bus aide was assigned to this driver, and the driver eventually passed the physical assessment test after a year.

Compliance with Training Standards Should Be Ensured

Training data of bus drivers needs to be accurate and compliance ensured.

The bus driver training records maintained by the USOE indicate serious noncompliance with training requirements. Although the records have not been well maintained, it appears that many drivers have not completed required training. Using USOE data from the 2007 school year, we found that 844 bus drivers in the state, or 33 percent, were not up to date on their CDL recertification training. Also, 334 bus drivers, or 13 percent, did not have the eight hours of in-service training that is required by the standards. These training deficiencies may be due to noncompliance or inaccurate reporting by school districts.

Our review of the driver training records that the USOE collects from the districts showed accuracy and data integrity concerns. Using the data that we received from the USOE, we determined the following:

- School districts are not consistently updating the USOE with current training records for bus drivers.
- One district's data was entered twice into the database.
- Multiple date fields were entered incorrectly from many of the districts.

Since we could not rely on the data at the USOE, we visited a large district to review its training records. According to the records at the USOE, only 5 percent of the drivers had not finished the required training for their CDL. In contrast, our review of the district's records showed that 24 percent of the drivers did not have the needed training hours for the CDL renewal. Thus, at this district, compliance with training requirements was worse than indicated by the USOE records.

In order to operate a school bus legally in Utah, a bus driver is required to complete specified training and instruction every year. The goal is to train all bus personnel so that the performance of their duties results in a safer trip for students being transported. For the data to be useful, the USOE must require school districts to submit the data to them in the correct format and with accurate data. It is important that the USOE maintains reliable data of the training records if they are to ensure that districts are in compliance with mandated training requirements. Chapter III addresses ways in which the USOE could improve their collection and monitoring of data.

Recommendations

1. We recommend that the USOE either strengthen the 100-point standard by making it apply to current drivers or create a standard designed specifically for the evaluation of driving records for current and potential bus drivers.

2. We recommend that the USOE work with the Department of Public Safety to develop a monitoring and notification process for school bus drivers' personal driving records and ensure that districts are reviewing driving records at least annually.

3. We recommend that the USOE ensure that all personnel responsible for conducting criminal background checks of bus drivers are informed of the hiring standards and that these standards are enforced.

4. We recommend that the USOE consider adopting a standard that requires periodic criminal background checks for all bus drivers.

5. We recommend that the USOE strengthen the list of disqualifying criminal convictions and consider standards to disqualify a person for a pattern of convictions.

6. We recommend that the USOE adopt a standard of requiring all school districts to use the BCI Fingerprint/FBI Check when hiring bus drivers.

7. We recommend that the USOE revisit the state's physical assessment requirements to ensure that they are accomplishing their intended results.

8. We recommend that the USOE and school districts ensure that school bus drivers are up to date on training requirements.

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Chapter III
USOE Should Improve Oversight of Busing Data

The funding distribution mechanism for school busing should be addressed in order to ensure that information used is accurate and consistent.

The funding distribution mechanism for school busing should be addressed by the Utah State Office of Education (USOE) in order to ensure that information used for funding distribution is accurate and consistent. The allocation of state funding is reliant on receiving measurable and accurate data from school districts, and this has not happened in the past. Specifically, the accuracy and consistency of statistical and financial information submitted by school districts is questionable. The USOE needs to ensure that school districts are recording and reporting busing information in a consistent and accurate manner. It is essential that the data collected by the USOE pertaining to funding distribution is submitted accurately and on time to ensure that funds are distributed in an appropriate manner and reliable forecasting for future funding requests is completed.

In the past, transportation funding increases were primarily tied to the Weighted Pupil Unit; however, the USOE envisions the distribution formula will also help determine funding requests. In order for distribution and forecasted amounts to be accurate, it is crucial that the statistical and financial data be correctly recorded and reported.

State oversight of school busing can be further enhanced by improving the process for collecting and monitoring data. Specifically, the USOE should consider having busing data reported online by school districts and ensure that adequate review of submitted data is occurring. In order to enhance the review of submitted data, the USOE should devote more time to analyzing the data and then following up on identified concerns.

Distribution Formula for State Reimbursement Is Dependent on Accurate Data

The USOE employs a unique formula for distributing state transportation funds. The source of reimbursement is based on the total number of miles and minutes that are driven during transportation to and from school (to/from miles and minutes). The district is then reimbursed based on the state average costs per mile and minute.

Once total costs for pupil transportation are identified, these costs are allocated to either miles or minutes. Total mile costs and total minute costs are then divided by statewide total miles and minutes. Once a statewide average cost for miles and minutes is determined, these average costs are then multiplied by a school district's to/from miles and minutes to determine their allocation of state funds.

The data necessary for the formula to accurately distribute funds is based on a statistical and a financial component.

The data necessary for the formula to accurately distribute funds is based on a statistical and a financial component.

- The statistical component consists of all information necessary to determine the miles and minutes utilized by school districts for the transportation of students.

- The financial component consists of all information necessary to determine the total mile and minute costs in order to calculate a state average cost for each mile and minute.

As will be discussed later in this chapter, the USOE currently has no definition for what total miles and minutes are. This has caused confusion for school districts in the recording and reporting of this data. Currently, the formula is designed to capture the statistical component of total miles and minutes.

- Total miles represents all miles the bus is driven in a year.

- Total minutes represents the total time a bus is driven inclusive of time allotted for pre-trip and post-trip inspections. What is unclear for school districts is the accounting of driver minutes spent traveling from the garage to the school for activity and field trips and the time spent waiting for children at an activity or a field trip.

The distribution formula is contingent on the identification of total costs, total miles, and total minutes to determine statewide averages and the application of state averages to a school district's to/from miles and minutes.

The distribution formula involves two steps: (1) the identification of total costs, total miles, and total minutes to determine statewide averages; and (2) the application of state averages to a school district's to/from miles and minutes.

Step One of Distribution Formula: Determining Statewide Averages

Step one of the distribution formula is the identification of total costs, total miles, and total minutes to determine statewide averages. The current calculation of average mile and minute costs is shown in Figure 3.1.

Figure 3.1 State Average Mile and Minute Costs. The state reimbursement rate for miles and minutes is determined by taking total costs associated with miles (such as fuel and bus purchases) divided by total miles, and the total costs associated with minutes (including driver salaries and benefits) divided by total minutes. These rates are then applied to districts' to/from miles and minutes.

Miles Related	2007 Total Costs	Per Mile
Fuel	$ 10,501,126	$ .326
Mechanic Salaries & Benefits	6,936,799	.216
Supplies/Garage Costs	5,938,150	.184
Other Costs*	4,336,067	.135
Subtotal Mile-Operating Costs	$ 27,712,142	$ .861
Depreciation	11,983,985	.372
Total Mile-Related Costs	**$ 39,696,127**	**$1.233**
Minutes Related	**2007 Total Costs**	**Per Minute**
Driver, Supervisor & Clerical Salaries &	$ 67,036,139	$ .567
Other Costs	524,173	.004
Total Minute-Related Costs	**$ 67,560,312**	**$.571**
Total Operating & Capital Costs	**$ 107,256,439**	

**Includes purchased services, insurance, utilities, etc.*

These rates of $1.233/mile and $.571/minute are the average costs of driving a school bus for school districts.

Step Two of Distribution Formula: Applying State Averages to To/From Miles and Minutes

Step two of the distribution formula is the application of state averages to a school district's to/from miles and minutes. The rates shown in Figure 3.1 of $1.233/mile and $.571/minute are applied to to/from miles

and minutes. These are the miles and minutes used on routes taking children to school or taking them home. It also includes "dead" miles and minutes that occur as the bus is driven to and from its destination (garage to the school). In addition, school districts receive 30 minutes every day for the pre- and post-trip maintenance and bus inspection of each bus used in to/from transportation.

Districts are also reimbursed for in-lieu expenditures, which are paid when another source of transportation is more feasible than a school bus. Figure 3.2 shows an example of how a school district's allocation is determined.

Figure 3.2 Davis School District's State Funding for To/From Transportation—Based on 2007 Expenditures. To/from miles and minutes are paid at the state average costs multiplied by the percent of funding allocated. After base and in lieu were deducted, school districts received 78 percent of state average costs.

	To/From Miles/Minutes	State Rate	Preliminary Allocation	Final Allocation
Miles	2,398,784	$ 1.233	$ 2,957,701	
Minutes	10,338,519	$ .571	$ 5,903,294	
To/From Proration		78 %	$ 8,860,995	**$ 6,907,636***
In Lieu	-	-	-	**$42,181**
Base	-	-	-	**$30,000**
State Reimbursement	-	-	-	**$ 6,979,817**

**Differences due to rounding.*

The main benefit of the formula is that it encourages districts to operate efficiently because the amount of funding they receive is dependent on the miles and minutes they drive, not on the amount of money they spend. If transportation is fully funded, up to 85 percent of statewide to/from expenditures will be provided by state dollars, but individual districts may get more or less than this amount depending on their efficiencies.

The formula includes a $30,000 base for all districts to ensure that smaller school districts receive an appropriate share of the funding and, most importantly, the new formula limits the amount of funding a school district can get to 100 percent of the previous year's to/from expenditures. Any extra amount a district was due to receive above the previous year's expenditures is prorationed to districts receiving less than 85 percent of their previous year's expenditures. This is done to ensure that districts do not receive more for pupil transportation than they actually spend. While the new distribution formula is simpler than the previous one, its appropriateness is reliant on accurate statistical and financial data.

Distribution Formula for School Busing Operations Presents Some Concerns

Pupil transportation is an expensive program that requires significant state and local funding. The allocation of state funding is reliant on receiving measurable and accurate data from the school districts, and this has not happened in the past. Specifically, the accuracy and consistency of statistical and financial information submitted by school districts is questionable. The USOE needs to ensure that school districts are recording and reporting busing information in a consistent and accurate manner.

Accuracy of Statistical Data Has Been Questionable

Some of the data that is required in the new formula is not reliable. Transportation funds are distributed to school districts for their to/from miles and minutes only. Each fall, school districts report their total to/from miles and minutes to the USOE, which uses those numbers to determine the districts' allocations. However, in determining the state cost per mile and minute, the USOE uses all miles and minutes, including activities, field trips, and private usage; this data submitted by the school districts has not been reviewed for accuracy by the USOE. This is concerning because not all school districts are collecting this data for these other trips. Additionally, some only collect it for activities and field trips but not for miscellaneous usage.

While miles can be easily calculated based on the buses' ending odometers, there are errors that have been found. For example:

Statistical information submitted by school districts has had accuracy and consistency concerns.

- Two school districts reported fewer odometer miles than to/from miles, which is impossible.
- Six other school districts reported driving more miles than their odometers show they have driven.
- Some districts had broken odometers or sold buses without recording final odometer readings.

In these three examples, the miles used by the USOE in determining the state average cost per mile were probably incorrect.

While miles can be determined from odometers, minutes are not as straightforward. The total minute data was collected for the first time this year, and there were identified inaccuracies in 19 of the 40 school districts. Multiple districts were only able to approximate total minutes, and four reported "miscellaneous and other" miles but did not report any corresponding minutes. These school districts have no way of knowing what their actual minutes driven were. Under-reporting of total minutes is concerning because it drives up the state average cost per minute, which results in the state paying more per minute. Until school districts are able to accurately track and report total miles and minutes, the formula will have flaws.

Standards of How Miles and Minutes Are Tracked and Reported Should Be Developed. Because the accuracy of mile and minute data is essential to ensure that funding is adequately forecasted and distributed, the USOE should ensure that districts are recording and reporting this information uniformly. As previously mentioned, the USOE does not currently have a standard for how miles and minutes are recorded.

USOE needs to develop a standard addressing how all miles and minutes should be recorded and reported.

Our primary concern is that all miles and minutes are recorded and reported. This is especially true of minutes used for activities and field trips. We found that school districts are struggling with how to record and report this information. For example, we found that some school districts are not capturing any of the minutes used to travel from the bus garage to the school and back for activities and field trips. This affects the total minute counts, which affects the formula. This under-reporting of total minutes drives up the average cost per minute, which, in turn, affects the distribution to all school districts and will inflate projected

transportation expenditures for future years. To ensure accuracy and uniformity, the USOE should develop a standard for recording and reporting all mile and minute data, inclusive of minutes related to activity and field trip layover time.

The USOE Needs to Ensure that In-Lieu Expenditures Are Handled Appropriately in the Distribution Formula. In-lieu costs include items such as paying for public transportation or paying parents to transport students. The USOE should consider excluding in-lieu costs from the average cost per mile, as the current method results in a double counting of these costs. This double counting occurs in the calculation of the average cost per mile and when the district is reimbursed for in-lieu expenditures. Since in-lieu costs are not costs associated with physically operating a bus, the USOE should consider removing this cost as a cost per mile.

USOE should consider excluding in-lieu costs from mile costs and ensure that districts are not getting reimbursed for 100 percent of in-lieu expenditures.

Also, the USOE should change how they are reimbursing school districts for in-lieu costs. Currently, the formula is reimbursing school districts' in-lieu expenditures at 100 percent. This reimbursement rate is inappropriate because the Legislature only funds up to 85 percent of to/from expenditures. Reimbursing in-lieu expenditures at 100 percent reduces funds available to pay bus operational costs and favors school districts with high in-lieu costs while penalizing those with low in-lieu costs. When we informed the USOE about the level of reimbursement of in-lieu expenditures in the formula, they agreed it was inappropriate and felt it should be corrected to ensure that districts are reimbursed at a prorated amount.

The USOE Needs to Ensure Accuracy when Calculating Distributions. In addition to the problems with reimbursements for in-lieu expenditures, the USOE's calculations of the mile and minute amounts had several problems. The biggest concern was that benefits were allocated incorrectly between miles and minutes. While salaries of most employees were allocated to minutes, the same employees' benefits were allocated to miles. Since benefits account for approximately 20 percent of transportation expenditures, this had a large effect on the mile and minute rates.

USOE needs to take greater care with data used in the distribution formula.

There was an additional problem with the inclusion of Ogden School District's costs. This school district contracts out their transportation services to a private company, so total mile and minute amounts were not

available for them. However, the USOE did not exclude their costs when determining state averages. While this was not as significant as the incorrect allocation of benefits, this did have an effect on the rates.

In the March legislative estimate, the USOE reported a state average cost of $1.82 per mile and $0.44 per minute. With the benefits correctly allocated and Ogden's costs excluded, the correct amounts are $1.23 per mile and $0.57 per minute. Since the Legislature has not used the formula to determine appropriations, the total amount of funding stayed the same. However, there were some large swings in the amounts individual districts would have received.

After we notified the USOE of the benefits being allocated incorrectly, several more versions of the formula were done by the USOE as they found additional errors. As school districts transitioned into using the new funding formula, the USOE produced several versions of the formula spreadsheet. Each version helped identify additional concerns about the processing of data. The USOE should review any changes or adjustments to the formula with the Pupil Transportation Advisory Committee to ensure that changes to the formula and subsequent years' calculations are done with increased care and accuracy.

Variances in Financial Reporting Present Some Concerns

Financial information submitted by school districts has had accuracy and consistency concerns.

The method school districts use to allocate costs for to/from transportation is questionable at times. Incorrect allocations could lead to districts receiving greater distributions than they should. The miles and minutes for to/from transportation should roughly equal the percent of expenditures allocated to to/from transportation. If school districts over-allocate expenditures to to/from transportation, the amount of state funding needed is overstated. We found that several school districts have allocated all or nearly all of their costs to to/from transportation.

The allocation of to/from costs is done on the school districts' Annual Program Reports (APR). While the Annual Financial Reports (AFR)—which include all transportation costs—are audited, the APRs have not been. Starting in fiscal year 2009, all APRs must be audited by an independent CPA. This is an important step forward, but it is not known whether this will completely solve the problem shown in Figure 3.3. Some school districts are allocating more costs to to/from transportation

than it appears they should, given the amount of non to/from transportation they are providing. As previously mentioned, allocating too much to to/from transportation can increase the distribution districts will receive and makes it appear that the Legislature is funding a smaller percentage of statewide transportation costs than they actually are. While some school districts are allocating too much to to/from transportation, some school districts appear to be understating their to/from costs.

Figure 3.3 AFR/APR Comparison from 2007 Reported Data. Total expenditures allocated to to/from transportation (far right column) should be approximately the same as the percent of to/from miles and minutes (middle two columns). Several districts allocated all or nearly all of their costs to to/from transportation.

District	Miles: To/From % of Total	Minutes: To/From % of Total	Expenditures: To/From % of Total
Box Elder	99 %	89 %	90 %
Daggett	63	59	79
Kane	56	67	100
Rich	59	59	81
Salt Lake	84	86	95
San Juan	95	82	92
Weber	62	88	99

Some school districts are allocating too many costs to to/from transportation.

The high percentages shown in the "Expenditures: To/From % of Total" column can be attributed to various factors. In some districts, all or nearly all to/from transportation costs are allocated to the APR either because the district business administrator did not know that this was an incorrect practice or because it had simply always been done that way.

In other school districts, accounting practices are the reason the percentages are high. In Salt Lake City School District, the district requires each school to pay for its field trips and activities. Then, the district determines its APR (to/from) costs by subtracting amounts that schools pay from its total busing costs. However, the rate that schools pay only takes into consideration driver and mechanic costs, maintenance, and fuel. Administrative and other costs, such as overhead, are not recouped

through activities and field trips. These are entirely allocated to to/from costs. While this may make sense from a cost-recovery analysis for the district, the USOE's distribution formula is expecting all transportation costs to be included in the AFR and expects a fair allocation of these costs in the APR. Also, in Salt Lake City School District the APR is overstated because the school district neglected to back out all activity payments from schools. By mistake, $106,588 was included in the APR when it should not have been. This would reduce Salt Lake's expenditures as a percent of to/from, shown in Figure 3.3, from 95 to 92 percent.

In addition to the possible errors shown in the figure above, more errors can be seen when looking at the amount of individual costs allocated to to/from transportation. For example, some school districts allocated at or near 100 percent of driver salaries to to/from transportation. Even though the total expenditures allocated to to/from does not appear excessive, there are still errors in the data. For example, Tintic School District (not shown in Figure 3.3 above) only allocated 66 percent of total costs to to/from—which would seem reasonable—but they allocated 100 percent of driver salaries and 100 percent of benefits to to/from expenditures. This is not possible, as their drivers had to be paid for driving to and from activities and field trips. Properly accounting for driver time would reduce the total costs allocated to to/from lower than the 66 percent the school district is reporting.

Consistent and accurate reporting by school districts is essential for the student transportation distribution formula to work. For this to happen, the USOE needs to develop and enforce standards pertaining to how miles and minutes (statistical information) are recorded and reported. The USOE also needs to ensure that school districts are reporting financial data in a consistent and accurate manner. Improving the recording and reporting of both statistical and financial information will enhance the USOE's ability to accurately distribute state funds and provide reliable information to the Legislature for purposes of funding student transportation throughout the state.

The importance of data accuracy is enhanced if data used for distribution formula is to be used to formulate funding requests.

Data Accuracy Essential if Distribution Formula Used to Generate Funding Requests

The importance of data accuracy is enhanced if the distribution formula is used as a mechanism to generate funding requests. Currently, funding for pupil transportation is done independently of distribution, so

errors in the statistical and financial data have not affected the amount of funding allocated by the Legislature. While these data errors have not affected the amount of funding, they will impact the distribution of funds to individual school districts. Even though funding is currently done independently of distribution, it is envisioned that the same statistical and financial information will be used in forecasting future funding needs for purposes of legislative review. As this happens, the importance of accurate data is enhanced.

USOE Should Improve Process For Collecting and Monitoring Data

In order to improve operational efficiency and oversight effectiveness, the USOE should improve their process for collecting and monitoring data. To improve in these areas, the USOE should consider the following:

- Moving to an online reporting system—School districts report a significant amount of data related to busing operations, and online reporting would help the USOE better manage their data.

- Improving review and follow-up of busing data—The USOE can improve their review and follow-up of information by spending more time analyzing data submitted and reevaluating the manner in which busing audits are conducted.

It is essential that the data collected by the USOE, pertaining to funding distribution, is submitted accurately and on time to ensure that funds are distributed in an appropriate manner and reliable forecasting for future funding requests is completed. It is also essential that data pertaining to bus drivers, such as training records (discussed in Chapter II), is adequately updated to ensure that the training of pupil transportation personnel is appropriately planned and directed.

USOE Process for Collecting School Busing Data Needs to Be Improved

The USOE should consider moving to an online system for reporting of busing data.

In order to improve oversight and enhance the efficiency of operations, the USOE should improve its process for collecting school busing data. The current process for collecting busing data is an antiquated process consisting of school districts either emailing or mailing

information to the USOE. The USOE then takes the data received from the school districts and reenters it into their databases. Not only is this process time-consuming, it also increases the possibility for human error. To improve operations, the USOE should consider online reporting for school busing data in order to improve reporting consistency and enhance oversight efforts.

Our review of other states has found that some states have moved to online reporting of busing information in order to enhance efficiency. Listed below are a few examples.

- Idaho: School districts submit everything that is required via online. They have been doing this for about two years. The state's pupil transportation director has reported that using the online program has saved their office a lot of man hours.

- Washington: School districts submit bus inventory and depreciation reports, school bus driver data, and some ridership information online.

- Virginia: School divisions that provide transportation to students must complete the annual transportation report in order to receive funding. To facilitate the collection of this data for each fiscal year, the online Pupil Transportation Report provides forms to report the data needed to calculate funding for transportation. School divisions. Must use the Web-based data collection and reporting system.

- Arizona is working toward having all busing information reported online by the end of 2008.

The USOE requires school districts to submit a significant amount of data about busing operations.

As previously mentioned, the USOE requires school districts to submit a significant amount of information regarding school busing, but we are concerned with the consistency and accuracy of this data. Listed in Figure 3.4 are the reports and information currently reported to the USOE by school districts for busing operations.

Figure 3.4 School Districts Are Required to Submit a Significant Amount of Data Regarding School Busing. The oversight capacity of the USOE would be enhanced by requiring reports pertinent to school busing to be submitted online.

Reports Due November 1

A1 Report - Miles and Minutes Report projected for the year

B Report - Miscellaneous Expenditure Report (payment of auto miles, commercial run contracts, in lieu of transportation) projected for the year

Reports Due July 15

C Report - Annual Statistical Report (miles)

D Report - Annual Statistical Report (minutes)

E Report - Driver Information (inclusive of training information and drug/alcohol testing)

F Report - Bus Inventory

G Report - Ending Odometer Summary

Other Information Reported

Copies of each route map

All of the reports listed in Figure 3.4 are necessary components for funding distribution and forecasting, with the exception of driver information (Report E) and copies of each route map. While driver information and route maps are not essential to the distribution of funds, the data is important to the oversight of pupil transportation.

Online reporting could enhance data accuracy and free up USOE resources to better monitor the data.

As previously mentioned, our review of these reports and discussions with USOE officials have shown that school districts are reporting busing data inconsistently, and some school districts are failing to report information in a timely manner or at all. We spoke with the state's transportation specialist on these reporting issues, and he attributed the problems with the data and the insufficient monitoring of the data to a lack of USOE resources and, at times, a lack of cooperation with some school districts.

In order to address the issue of resources and time, the USOE should consider requiring these reports and other information related to the oversight of school busing operations to be submitted online. Online reporting would not only improve reporting consistency and eliminate USOE data entry errors, but it would also enhance the oversight capacity of the USOE. Oversight capacity would increase because the amount of time spent collecting and entering data would be eliminated, freeing up current USOE resources to more thoroughly monitor submitted data.

USOE Process for Monitoring School Busing Data Needs to Be Improved

The USOE needs to improve its monitoring of school busing data.

The USOE needs to improve its monitoring of school busing data. As previously mentioned, our review of the busing information submitted to the USOE by school districts found multiple errors and/or missing data. We found many instances where data errors were not identified, but when errors and/or missing data was identified, we found minimal instances of follow-up to ensure accuracy.

While the USOE needs to improve its process for reviewing busing data, staff also need to ensure that adequate follow-up occurs when problems in the data are identified. As previously mentioned, errors in the data have a significant impact on the funding distribution and hamper the state's ability to adequately provide oversight. We believe that moving to an online system for reporting busing data will help the USOE adequately carry out its function, but the USOE needs to ensure that adequate monitoring of the data occurs and discrepancies and/or missing data are followed up on.

The resources of the USOE could be more efficiently utilized by spending more time analyzing the data, identifying concerning areas, and then following up with identified concerns.

The USOE Needs to Revisit Their Procedures for Auditing Busing Information. The resources of the USOE could be more efficiently utilized by spending more time analyzing the data, identifying concerning areas, and then following up with identified concerns. Currently, the USOE performs two types of audits: desk audits and field audits. Desk audits are centered around analyzing the data, while field audits are actual site visits to school districts. The primary objectives of the field audits are to verify reported mile and minute data from sampled routes and observe operations for safety and route optimization. The field audits are chosen at random or are triggered by the data from the Schedule A1 report. One school district is also chosen at random from a drawing to be audited the following year. Our review found that field

audits are rarely triggered from the reporting, which can be counterproductive.

Field audits are time consuming but have yielded minimal results.

Field audits are time-consuming but have yielded minimal results. For example, the summary of one audit conducted in 2007 reads:

> The minutes reported on the November 1, 2006 Schedule A1 were under reported by 2.91%.
> The miles reported on the November 1, 2006 Schedule A1 were under reported by .88%.

We observed USOE staff on a field audit of Grand County School District. This is a small school district that has 13 buses, of which only 12 appear to be used on a daily basis. The field audit of this school district took two weeks.

Over the last two years, only 11 field audits were conducted. The six-year average for conducted field audits is 3.7 per year. At this rate, a district can expect to be audited once every 11 years. In addition to the audits yielding minimal results, we are also concerned that the audits are not accomplishing any significant overall goals of ensuring accurate reporting. One transportation director from a larger school district informed us that:

> Districts only worry about fixing the routes that are shown to be bad and don't fix the other ones. The districts know that they usually go a long time between audits so there is not much urgency to make sure routes are fixed.

While it has been recommended that the USOE conduct more field audits each year to ensure that school districts are not over-reporting to/from miles and minutes, we feel that current auditing procedures are not accomplishing their objectives. Therefore, we recommend that the USOE consider eliminating random audits and devote more time to analyzing the data and then auditing concerns that are identified.

Current Auditing Procedures of School Busing Present Some Safety Concerns. In addition to the field audits yielding minimal results, the current auditing procedures for school busing used by the USOE present some safety concerns. Currently, the individual conducting the audit follows behind a bus on its route while recording pertinent

information. The driver is required to write down information while following a moving bus. It is important that the driver does not lose the bus in traffic or at a light so, at times, the driver is forced to drive closely behind the bus. In our opinion, in order to enhance safety, a person conducting an audit of a bus route should ride on the bus. Information can still be recorded, but the dangers of driving while distracted and following too closely can be avoided.

Once the USOE ensures that all districts are recording and reporting busing data in a consistent manner, the USOE should then consider instituting financial penalties for reporting infractions.

The Use of Financial Penalties Could Be Employed to Ensure Reporting Accuracy. Once the USOE ensures that all districts are recording and reporting busing data in a consistent manner, the USOE should then consider instituting financial penalties for reporting infractions. Currently, when information pertinent to the distribution formula is not reported in a timely manner, the USOE can withhold funding from a school district. Following this idea, the USOE could also consider instituting financial penalties to ensure reporting compliance.

In their 2006 Interim report to the Legislature on pupil transportation, the Legislative Fiscal Analyst's Office recommended:

> Financial penalties could be instituted for school districts to reduce any incentives for over- and under-reporting of school bus miles and minutes—the primary drivers of the transportation formula.

As previously mentioned, when school districts over- or under-report miles and/or minutes, they can affect the distribution of funds. We believe that the institution of financial penalties for reporting infractions could be used to ensure reporting compliance. We further believe that the problems attributed to a lack of resources and time could be largely addressed by the development of online reporting, with the USOE devoting more time to the review of submitted data and then auditing or following up on identified concerns.

Recommendations

1. We recommend that the USOE ensure school districts are recording and reporting statistical and financial data in a consistent and accurate manner before submitting funding requests to the Legislature based on the distribution formula for school busing.

2. We recommend that the USOE develop and enforce standards for school districts pertaining to how miles and minutes are to be recorded and reported.

3. We recommend that the USOE remove in-lieu costs from the distribution formula as a cost per mile and change how they are reimbursing school districts for in-lieu expenditures to ensure that school districts are only receiving a prorated amount for these expenses.

4. We recommend that the USOE improve their methods for collecting school busing data, specifically looking toward an online reporting system.

5. We recommend that the USOE improve its review and follow-up of school busing data, ensuring that data submitted by school districts is thoroughly analyzed and then following up on identified concerns and/or missing data.

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Chapter IV
School Busing Operations And Reporting Can Be Improved

Efficiencies can and should be identified, but data has to be accurately and consistently reported.

The Utah State Office of Education (USOE) provides direction and oversight to the 40 school districts in regards to pupil transportation. According to the *Standards For Utah School Buses and Operations*, "The state's pupil transportation director/specialist responsibilities include . . . evaluating local districts' operations and providing recommendations." However, each school district works independently in terms of how its transportation programs are run. Because of this autonomy, some school districts may be able to implement efficiencies that are not followed by all districts in the state. In addition, some school districts appear more efficient than others due to incorrect data or inconsistencies in reporting the data. Therefore, school busing operations can be improved by:

- Improving consistency of data reported by school districts through increasing direction and policies. This will allow for the use of performance measures by the USOE and school districts to aid in the identification of operational deficiencies

- Evaluating school bus utilization and the use of planned utilization in bus purchasing decisions

- Ensuring that bus depreciation monies are separated from operating funds. This will aid districts in identifying monies allocated generally for replacement of school buses

Improving operations rests on the USOE's ability to ensure data is reported accurately and consistently by school districts.

Inconsistent Data Hinders the Use of Performance Measurements To Evaluate District Efficiencies

By using performance measures, the USOE could learn much about how efficiently the districts operate and could identify areas where data accuracy is a concern. Information such as costs per mile, costs per

USOE could learn much about how efficiently the districts operate and identify areas where data accuracy is a concern by using performance measures.

minute, driver salaries, fuel costs, and so forth should be used by the USOE to determine areas where data accuracy is a concern. This information could also be used to identify districts that are operating efficiently to use as examples for implementation in other school districts. The only measure currently used is the reimbursement rate as calculated by the USOE. This reimbursement rate determines each district's cost per mile and minute. The districts' costs per mile and minute are not shared with school districts for comparison purposes, and no other performance measures are used.

By sharing these costs and using other measurements, school districts could get a better idea of how they operate in comparison to other districts and see areas in need of improvement. In addition, areas with large discrepancies in the reported data could be identified as areas where data may either be incorrect or inconsistent. As discussed in Chapter III, there are concerns with school districts reporting bad data, and performance measures could be used to identify potential areas of concern that could be investigated in terms of reported data and operations.

USOE Should Consider Measures that Will Identify Bad Data and Operational Efficiencies

The USOE should consider various measures that can identify inaccurate reporting of data or operational efficiencies/deficiencies. While the USOE's distribution formula provides some idea of which districts are operating efficiently, it is not a perfect tool for comparison purposes. Relying solely on the formula for comparing school districts is limited because of the cap that is placed on funding an individual district can receive, and some districts have identifiable allocation errors that skew the data. Figure 4.1 provides another efficiency measure the USOE could use.

Figure 4.1 shows the percent that each district would have spent if their miles and minutes had cost the state average versus what they actually spent. A district with a number below 100 percent spent more than the state average, while a district above 100 percent spent less than the state average. This figure also shows the cost the district spent per mile and minute for transportation. Since districts have many more minutes than miles, minutes have a higher effect on the efficiency ratio than do miles. School districts are rewarded for operating efficiently because they are reimbursed at the state average costs per mile and minute. The higher

the efficiency ratio, and the lower their cost per mile and minute, the better efficiency the district has in terms of the formula.

Figure 4.1 The USOE Should Measure the Efficiency of Districts. The formula used by the USOE rewards districts that spend less money to run operations because miles and minutes are paid on the state average cost. Districts with lower costs per mile or minute spent less money in transportation compared to the amount of miles and minutes they drove, and districts with a higher percent funded spent less than the state averages.

District	Efficiency Ratio (state average to district spending)	2007 Cost per Mile	2007 Cost per Minute
Alpine	91 %	$ 1.055	$ .707
Beaver	83	1.230	.792
Davis	85	1.523	.657
Granite	111	.941	.560
Iron	116	1.134	.469
Jordan	102	1.181	.569
Nebo	82	1.727	.645
Provo	104	1.831	.433
Salt Lake	83	2.139	.561
Washington	141	.820	.421
State Avg	**100 %**	**$ 1.233**	**$ .571**

A complete list of districts can be found in Appendix A.

Differences among school districts could be due to either more efficient operations in some districts or due to inaccurate and inconsistent reporting.

As discussed in Chapter III, there are concerns about the data being recorded and reported correctly; however, based on this data, some districts are operating for less than other districts. The efficiency ratio stems directly from the cost per mile and minute of these districts, so the next step is to determine why some districts have lower mile or minute component costs compared to others. This could be due to either lower spending in certain areas— such as a district not purchasing as many buses as other districts—or a district's ability to drive more miles and minutes with the expenditures they do make. Another possibility could be that school districts are reporting inaccurate or inconsistent financial and/or statistical (miles and minutes) information.

Discrepancies in costs per mile or minute can be due to the way busing operations are run and reported. In the Salt Lake City School District, UTA passes are purchased for many students in lieu of sending a bus. Since the district is expending large amounts of money on these passes (a mile cost in the current formula) but not driving any corresponding miles, their cost per mile is very high.

As discussed in Chapter III, since these in-lieu costs are not really associated with a bus operating, we question whether they should be included in the formula as a mile cost. In this case, the high mile costs in Salt Lake do not necessarily mean that the district is operating inefficiently. On the other hand, according to Figure 4.1, Washington County School District appears very efficient. However, according to the transportation director, miles and minutes both had to be estimated. Odometer readings were not available because some buses had been sold. The transportation director also said that she believed activity and field trip minutes could have been overstated. The district reports having far fewer miles for 2008 than 2007 despite an increase in costs. While some of these decreases can be explained, a large number of them cannot. Because of this, it seems reasonable that miles could have been overestimated in 2007, causing a lower cost per mile.

In Nebo School District, costs per mile and minute are high compared to the state average. Nebo is one of the fastest-growing districts in the state, so bus purchase expenditures have been very high. In addition, Nebo does mechanic work on about 20 buses for Tintic and Juab County school districts. This drives up the district's supply costs as well as their mechanic costs. The result is that Nebo looks inefficient based on cost per mile and minute, but their high numbers are not due solely (if at all) to inefficiencies.

Salaries and Benefits Should Be Evaluated by the USOE

The USOE should evaluate reported salaries and benefits to identify inconsistent reporting and/or operational efficiencies. Figure 4.2 shows the costs districts paid in salaries and benefits for drivers and administrative personnel. The majority of that is due to drivers, whose salaries alone account for the largest single cost districts pay in student transportation.

Figure 4.2 Cost of Salaries and Benefits Should Be Evaluated by the USOE. Drivers' salaries are the largest expense in pupil transportation. Along with drivers' benefits and administrative salaries and benefits, they account for 63 percent of total expenditures. Some districts are able to spend much less per minute in salaries and benefits than others.

District	2007 Salaries and Benefits	Percent of Total Costs	Salaries/Benefits Cost Per Minute
Alpine	$7,800,865	71 %	$ .71
Beaver	231,494	61	.79
Davis	7,445,186	64	.66
Granite	6,069,813	70	.56
Iron	1,200,497	52	.44
Jordan	9,400,346	64	.57
Nebo	3,880,792	60	.64
Provo	1,146,923	56	.43
Salt Lake	2,446,805	56	.56
Washington	3,187,006	63	.41
State Avg		**63 %**	**$ .57**

A complete list of districts can be found in Appendix A.

USOE should evaluate districts' costs per minute to determine reporting errors or identified efficiencies.

Based on this data, Washington County School District pays $0.38 less per minute for salary and benefit costs than Beaver County School District and $0.16 less than the state average. According to an official with Beaver County School District, their minutes were just an estimate, so their high costs per minute could have been due to their minutes being understated, especially because they do not believe they have higher-than-average salaries.

The majority of these minute costs comes from driver salaries, which account for almost 60 percent of these costs. The differences in these costs could be due to higher wages, the number of employees used or the amount they are used, or the amount of benefits paid. For example, in Iron County School District, drivers are typically not paid benefits, which accounts for their lower-than-average cost per minute. In Provo School District, most bus drivers are college students who only stay a few years. Because of this, drivers do not get much seniority and the higher wages

that go along with it. Provo also pays the beginning driver wage for all activities and field trips, regardless of who is driving. These practices and market conditions are not consistent for other school districts, sometimes resulting in higher costs. Further inquires by the USOE should also be done to ensure that these discrepancies are not due to salaries and benefits being misreported or allocated incorrectly.

Data errors also occur as districts under- or over-report their total minutes, as discussed in Chapter III. Therefore, it is possible that the differences in driver costs per minute are not at all due to efficiencies but are due to the wrong number of costs or minutes being reported. If these differences are indeed attributable to efficiencies, it would be in the best interest of the USOE to see how these efficiencies could be extended to all districts.

While $68 million of transportation expenditures are identified as minute costs, only $40 million are identified as mile costs in the distribution formula. The largest piece of mile costs is due to bus purchases. Since all buses are purchased through the same state contracts, efficiency comparisons in this area are not as revealing as others. However, because the number of buses purchased can vary widely between districts, a district may have a lower cost per mile because fewer bus purchases have been made, which makes them appear more efficient. For example, in Figure 4.1, Iron County School District appears to be operating efficiently in their cost per mile, since they are $0.10 below the state average cost per mile. However, Iron's bus purchase costs used by the USOE are just $.26 per mile, which is $.11 less than the state average. The fact that they bought fewer buses given how many miles they drove does not necessarily mean they are operating more efficiently than other school districts.

Fuel Costs Should Be Evaluated by the USOE

Reported expenditures for fuel should be evaluated by the USOE to identify variances in operations or inconsistent reporting practices of the school districts. In addition to bus purchases, the other large component of costs per mile is fuel costs, as shown in Figure 4.3.

Figure 4.3 Cost of Fuel Should Be Evaluated by the USOE. Fuel costs account for nearly 10 percent of all transportation expenditures and are the second-highest mile cost. Districts with more efficient routes, reduced idling, and more efficient engines can have fewer fuel costs than others.

District	2007 Fuel Costs	Percent of Total Costs	Fuel Cost Per Mile
Alpine	$1,066,326	10 %	$ .35
Beaver	55,500	15	.46
Davis	984,124	8	.36
Granite	831,192	10	.30
Iron	277,452	12	.31
Jordan	1,157,160	8	.26
Nebo	552,212	8	.37
Provo	222,128	11	.46
Salt Lake	318,775	7	.36
Washington	581,865	11	.26
State Avg		**10 %**	**$ .33**

A complete list of districts can be found in Appendix A.

Differences in fuel cost per mile could be due to more idling time, less efficient driving that requires more stopping, gas mileage differences due to engine type or maintenance practices, or possibly reporting errors by school districts. It seems unlikely that differences as large as those seen in Figure 4.3 are due solely to better gas mileage and not to data discrepancies. If districts really are able to achieve superior fuel costs per mile, it would be prudent for the USOE to find out how it is possible and implement these fuel-saving practices throughout the state.

In terms of fuel costs, some school districts operate more efficiently than others, but the reporting of accurate data is a concern.

For example, Jordan School District has implemented the use of natural gas buses, which saves on fuel costs. In addition, they have found that using the Mercedes bus engines raises their fuel economy from 5 to 8 miles per gallon. On the other hand, Provo School District has very high fuel costs per mile. They told us that they run an older fleet and they only get 4 to 5 miles per gallon on many of their buses. This is a significant difference that many districts may be unaware of. If the differences in other districts are actually because of data errors, the USOE should

investigate the cause in order to ensure the distribution formula is an accurate reflection of mile and minute costs.

Bus/Mechanic Ratios Should Be Evaluated by the USOE

Bus/mechanic ratios should be evaluated by the USOE in order to identify variances in operations or inconsistent reporting practices of the school districts. State busing standards recommend a mechanic for every 20 buses in the fleet. Since mechanics often work on a fleet that includes many district vehicles besides school buses, mechanic workloads may vary even if they are assigned to work on the same number of buses. Figure 4.4 shows the bus/mechanic ratios for selected fleets.

Figure 4.4 Bus and Mechanic Ratios for Select School Districts. State standards call for a bus-to-mechanic ratio of 20:1. However, the actual ratios in school districts varied in 2007.

District	Number of Buses	Number of Mechanics	Buses per Mechanic	Salary & Benefits Percent of Total
Box Elder	105	3.5	30	6 %
Carbon	38	3	13	15
Davis	252	13	19	5
Grand	13	1	13	11
Iron	56	5	11	10
Jordan	306	16	19	8
Murray	19	1.5	13	1
Tooele	78	3	26	6
Uintah	53	2	27	6

In these school districts, the number of buses per mechanic is as low as 11 and as high as 27. In addition, Murray spent only 1 percent of total expenditures on mechanics, while Carbon spent 15 percent. Murray's low costs were, in part, due to the district not having a mechanic for most of the year. In addition, the mechanic's salary was allocated to three different places on the AFR, so only a percentage showed up in transportation. In contrast, Grand allocated all of their mechanic costs to transportation.

The USOE should evaluate districts' bus/mechanic ratios and ensure that districts are allocating costs correctly.

Districts spending large amounts on mechanics should determine whether they are employing an appropriate number of mechanics, especially if they have fewer than 20 buses per mechanic.

The above examples provide illustrations of how the USOE can and should use the data that is already reported to them to identify errors or inconsistencies. Once the data is uniform throughout the state, its use as performance measures will be greatly improved. Using these measurements and other performance and efficiency measures could enhance school districts' ability to gauge how efficient they are and give a standard for districts to work toward.

Utilization of School Buses Should Be Evaluated

Throughout the state, buses appear to be underutilized for to/from transportation. Frequently, the largest buses transport far fewer students than the bus can carry. Districts should seek to enhance utilization and should keep bus capacity in mind when buses are being purchased. The vast majority of buses purchased are Class D buses, which are the biggest and most expensive buses. Since these buses are often filled to far less than capacity, smaller buses could be purchased, resulting in significant savings for school districts and the state. Alternatively, the state should consider adjusting its state-paid depreciation method to pay for only the smaller buses if districts choose to buy large buses only to accommodate activities and field trips.

School Districts Should Enhance Capacity Utilization

Statewide, districts do not consistently fill up their buses with eligible riders.

Statewide, districts do not consistently fill up their buses with eligible riders. School districts report their bus utilization in one of two ways, either by run or by route. A run may include a route of picking up and dropping off students at a high school, and then doing the same for a junior high and elementary school. Since runs often include multiple routes, the total number of riders on all routes is reported. Districts are supposed to report by route, as reporting by run can make a district appear to have greater than 100 percent capacity and can prevent the USOE from identifying routes that are ineligible for funding. Fourteen of

40 school districts appear to report by routes, and these districts' capacities can be determined, as shown in Figure 4.5.

For elementary routes, three children may be seated on a bench, while only two secondary students are allowed per bench, so the capacity is different for each type of route. In the figure below, planned utilization is the total number of eligible riders for the route, while the actual utilization is the number of riders getting on the bus. Secondary routes will typically have much higher discrepancies between planned and actual riders, since many students will drive themselves or ride with friends to school.

Figure 4.5 Capacity Utilization of Bus Routes. In 2007, bus usage was far below capacity in regular transportation.

District	Planned Elementary Utilization	Actual Elementary Utilization	Planned Secondary Utilization	Actual Secondary Utilization
Alpine	62 %	49 %	127 %	87 %
Davis	55	50	102	60
Grand	73	57	94	67
Granite*	-	60	-	63
Iron*	-	54	-	53
Jordan	70	50	130	74
Murray	53	48	67	54
Nebo	66	61	98	54
Ogden	59	54	87	67
Park City	43	33	97	53
Provo	72	56	96	65
Salt Lake	76	61	120	81
Tooele	54	49	93	55
Washington	65	58	94	83
Average	**62 %**	**53 %**	**100 %**	**65 %**

**Does not track planned utilization for all routes.*

Many to/from routes are far from full.

On average, to/from routes are far from full. Filling an elementary route to 53 percent of capacity on a Class D bus is the equivalent of picking up 45 students, while a secondary route 65 percent full on a Class D bus equates to 36 students. In a typical Class C bus, the average elementary route would be 63 percent full, and a secondary bus would be

75 percent full. The other 26 school districts not shown in Figure 4.5 either report by run, or it could not be determined how they report. When districts reported by run, we could not determine how many routes went into each run without having districts resubmit their route data. Therefore, we were unable to determine capacity utilization for these 26 school districts.

Other states have identified the need to utilize bus capacity. Studies in Pennsylvania, Idaho, and Texas have recognized that many buses are operated at below capacity and have estimated significant savings if extra capacity is reduced. Iowa statute states that routes should be at least 75 percent full, and Georgia statute calls for districts to be ranked by bus utilization. One Utah school district commented to us that they had never taken capacity utilization into account when making purchasing decisions. The USOE should be evaluating capacity utilization and requiring school districts to report by route to allow them to evaluate utilization as well as ensure all routes submitted for funding are eligible.

Planned Capacity Utilization Should Drive Purchasing Decisions

Since 2003, 95% of large buses bought by school districts have been Class D, which are typically the biggest and most expensive type of bus, despite the fact that utilization is far from maximized on to/from routes.

Since 2003, 95 percent of large buses (Class C or D) bought by Utah school districts have been Class D, which are typically the biggest and most expensive type of bus, despite the fact that utilization is far from maximized on to/from routes. All of the transportation directors we spoke with told us that at least part of the reason that 84-passenger Class D buses are so prevalent is because these buses can be used for activities and field trips. Despite the fact that a Class C bus can be equipped with just four fewer benches, districts feel it is important to have the extra capacity of the Class D bus.

Since many districts use buses both for activities and field trips (which are more often filled to capacity) as well as for to/from transportation, it is even more important that the districts have a Class D bus. One transportation director, who had experience in pupil transportation in both the private sector and in another state, said that it is a different culture in Utah and that many other states relied much more on the smaller buses and have more diverse fleets.

Nationwide, about 81 percent of large buses manufactured are Class C buses. This is a trend that has stayed relatively steady over the past five years. Laidlaw is a national private company that handles Ogden's busing

contract, and they use 17 Class C buses in addition to the 22 Class D buses. Their percentage of Class D buses (56 percent) is a much lower percentage of their total fleet than the percentage of Class D buses in other Utah school districts.

Figure 4.6 Cost and Capacity of Buses. Since 2003, 95% of large buses purchased in Utah have been Class D buses despite the fact that bus utilization is well below capacity. Nationwide, Class C buses are manufactured nearly four times more than Class D buses.

Classification	C	D
Buses Purchased in Utah Since 2003		
Capacity	72	84
Avg Price	$ 62,674	$ 88,051
Number Purchased	32	599
Percent of Purchases	5 %	95 %
Nationwide Manufacturing Data		
2007	81 %	19 %

Purchasing smaller, less-expensive buses would be an easy way for districts to decrease costs and, in cases of low capacity, not sacrifice anything.

Purchasing smaller, less-expensive buses would be an easy way for districts to decrease costs and, in cases of low capacity, not sacrifice anything. While having an entire fleet of Class C buses may not be practical considering the demands of activities and field trips, enhanced fleet management could enable a district to incorporate these buses into its fleet. There are times when a Class D bus is appropriate for to/from transportation. Many times a bus will be far below capacity on one route but will be filled up on the next route. Districts also allow some room on buses at the beginning of the year to allow for growth or increased riders during the winter. However, many 84-passenger buses do not exceed the capacity of a Class C school bus on any runs they make.

If all Class D buses that did not exceed the capacity of a Class C bus were replaced with a Class C bus—which, on average, costs $25,377 less

than a Class D bus—the savings would be substantial. Figure 4.7 shows the potential savings select districts could have had if Class C buses had been purchased where the extra capacity of a Class D was not needed for to/from transportation.

Figure 4.7 Potential Savings From Select Districts. By identifying districts' buses that were underutilized in 2007, potential cost savings can be estimated by using the average cost of Class C and D buses from Figure 4.6.

District	Number of Regular Ed Route Buses	Number of Buses That Could Be Replaced	Potential Savings
Alpine	133	45	$ 1,141,971
Davis	169	69	1,751,022
Grand	11	0	0
Iron	44	18	456,788
Jordan	121	16	406,034
Murray	11	5	126,886
Nebo	73	7	177,640
Park City	21	2	50,754
Provo	37	1	25,377
Salt Lake	35	3	76,131
Tooele	43	16	406,034
Washington	72	12	304,526
Total	**770**	**194**	**$ 4,923,163**

Potential savings assumes Class C buses costing $25,377 less than Class D buses were purchased.

Statewide savings could have been in excess of $9.5 million if Class C buses were purchased instead of Class D when the capacity of a Class D bus was underutilized.

This figure shows only those buses used in regular student transportation where all of the bus routes' planned capacity was below that of a Class C bus. If actual riders were used instead of planned riders, and substitute buses and special education buses were also included, there could be even more savings. Extending this projection across all school districts, savings could have exceeded $9.5 million for the current fleet of buses throughout the state.

In talking with a district official regarding this data, we again found that the data the USOE collects from school districts is not reported consistently throughout the state. This district included buses that were used as substitute buses as part of their to/from routes and listed that they drove 180 days. This resulted in a double counting of these routes and made it appear that the district used 33 percent more buses than they actually did. The number of buses that could be replaced fell by 54 percent when we accounted for this reporting error. It is likely that other districts followed the same or similar practices, resulting in inaccurate data. Again, the USOE needs to ensure that standards for data requests are laid out and that all districts understand and follow them. Until this happens, data analysis is severely limited in identifying efficiencies and areas of concern.

Figure 4.8 shows two actual examples of buses that could be replaced. The capacity amount shows how full the bus would be if all eligible riders were on the bus. It is calculated by dividing the eligible riders by 84 for an elementary route or 56 for a secondary route. A typical bus will have several separate routes that it travels throughout the year. Due to staggered bell times, short days on Fridays, kindergarten routes, and year-round school, a single bus can run a large number of routes, as shown in Figure 4.8. A single bus could do a morning high school route, followed by a junior high route and an elementary route. In the afternoon, the same bus could do a kindergarten route and then pick up the students from the high school, junior high, and elementary school. If the bus also did a late run at the high school, it would have done eight routes in one day.

Figure 4.8 Examples of Underutilized Buses. Any bus that never had a planned capacity of more than 72 elementary students or 48 secondary students is a bus that could be replaced by a Class C bus. Here is an example of actual usage on all routes of two 84-passenger buses in different school districts.

Number of Days Run	Route Type	Eligible Riders	Actual Riders	Capacity
BUS A, Jordan School District				
229	Elementary	27	20	32 %
137	Elementary	27	22	32
46	Elementary	27	16	32
46	Elementary	27	22	32
178	Secondary	34	33	61
139	Secondary	34	37	61
39	Secondary	34	33	61
39	Secondary	34	29	61
178	Secondary	31	15	55
139	Secondary	31	27	55
39	Secondary	31	22	55
39	Secondary	31	25	55
Bus B, Alpine School District				
178	Elementary	37	36	44
178	Elementary	37	16	44
178	Elementary	37	35	44
178	Elementary	37	21	44
173	Elementary	15	10	18

Capacity utilization should be analyzed before purchasing decisions are made.

Even if only 20 percent of Class D buses purchased since 2003 had been Class C instead of Class D, districts would have saved over $3 million in bus purchases. If half of the buses had been Class C buses, the savings would approach $8 million. We do not believe that school districts need to discontinue the use of Class D buses or replace them in every instance where there is extra capacity. However, school districts

should not blindly purchase Class D buses when there are often better options that could save money. A 72-passenger Class C bus has only four fewer benches than an 84-passenger Class D bus. Unless school districts absolutely need this extra room, Class C buses should be considered.

If school districts are only buying Class D buses because they need the capacity for use in activities and field trips, then the Legislature should determine whether they will fund bus purchases at the cost of a Class C or Class D bus. Since the Legislature only provides funding for to/from transportation, we feel that only the bus type required for to/from routes should be funded.

If districts are only buying Class D buses because they need the capacity for use in activities and field trips, then the Legislature should determine whether they will fund bus purchases at the cost of a Class C or Class D bus.

In addition to Class C buses, Class A and B buses are also options. There have been 35 Class A buses and two Class B buses purchased in Utah since 2003. The costs of these buses averaged about $58,000 for Class A buses and $51,000 for Class B buses. These buses do not typically have the same life cycle or operating costs as the Class C and D buses, so comparing them is difficult. But again, districts should examine route needs to determine if a less-expensive bus is a better option.

Notwithstanding the reduced price, Class C buses are just as safe as Class D buses. There is the perception that Class D buses do have the advantage of better visibility of the area directly in front of the bus because they do not have the nose that sticks out in the front. However, according to the executive director for the National Association of Pupil Transportation (NAPT), the nose on Class C buses has been modified by the manufacturers to be angled down and mirrors have been added to address this problem. According to NAPT, there is not a significant safety or reliability difference in the two types of buses. Since three-fourths of all large school buses nationwide are Class C buses, it is unlikely they are less safe, as all states would be primarily concerned with student safety. Also, in talking with officials from three school districts, we found that there is no difference in the operating or maintenance costs of Class C buses compared to Class D buses.

Depreciation of School Buses Should Be Revised

The accounting of depreciation money that school districts receive has two problems. First, school districts have received money for buses that should have already been fully depreciated. Second, depreciation money allocated to school districts are not identified as money for depreciation, so these funds are often not set aside to replace buses; failure to replace buses will lead to aging fleets.

School Districts Have Been Receiving Depreciation Monies for Fully Depreciated Buses

Prior to 2007, the USOE did not track odometer readings. Therefore, school districts could receive depreciation money from the state for buses as long as they used the bus. This depreciation money is part of the funding districts receive for each to/from mile they drive and is determined by the State Board of Education as set forth in *Administrative Rule* 277-600-9(G). Prior to 2007, the transportation standards manual stated:

> The Depreciation Allowance is paid at a rate that amortizes the current state contract price of a standard equipped 84-passenger bus over the expected life (200,000 miles) of the bus.

School districts have been receiving state depreciation monies on fully depreciated buses.

The depreciation rate used in 2007 and preceding years was $0.39 per mile. However, districts did not always report the bus miles, and no effort was made by the USOE to stop depreciating buses once they hit the 200,000-mile mark. In this way, it was actually an incentive for districts to use older buses because they could continue to get depreciation money from the state without having to purchase a new bus. Figure 4.9 shows an approximation of what was paid to districts in depreciation for buses that exceeded 200,000 miles. Not all of the buses could be identified as fully depreciated because odometer readings are not current for all buses and all districts.

In the 2006-2007 school year, 82 percent of miles were to/from miles, so the miles over 200,000 were multiplied by this amount to get the approximate to/from miles. These miles were multiplied by the depreciation rate of $0.39 and then multiplied by the average funding level from the past four years, which was 77 percent. The 77 percent

funding was calculated by taking the to/from expenditures divided by state funding for the last four years.

Figure 4.9 Identified Buses over 200,000 Miles. While not all districts have updated odometer readings, a total of 87 buses have been identified as being over 200,000 miles as of 2007. Districts have received approximately $536,000 in state funds for depreciation from these buses that were already fully depreciated.

District	Number of Buses over 200,000 Miles	Average Mileage over 200,000 Miles	Approximate To/From Miles of All Buses	Cost at $.39 Depreciation and 77% Funding
Box Elder	4	14,322	46,976	$ 14,107
Cache	9	16,251	119,932	36,016
Duchesne	1	3,639	2,984	896
Grand	1	30,563	25,061	7,526
Iron	2	22,755	37,318	11,207
Jordan	6	32,637	160,574	48,220
Rich	3	14,095	34,674	10,413
San Juan	11	18,988	171,272	51,433
S. Summit	2	15,114	24,787	7,444
Uintah	1	4,171	3,420	1,027
Washington	21	31,041	534,526	160,518
Wayne	2	11,840	9,708	2,915
Weber	24	30,701	604,196	181,440
TOTAL	**87**	**25,023**	**1,775,428**	**$ 536,077**

The state may have paid $1.3 million in depreciation money for the current fleet of buses that were already fully depreciated.

The 87 buses identified in the figure represent 8 percent of these districts' total fleets. If the same percentage of buses in all school districts was an average of 25,203 miles over 200,000 miles, the state would have paid districts nearly $1.3 million in depreciation money for the current fleet of buses that were already fully depreciated.

Depreciation Allocations Should Be Reported Separately

The USOE has expressed a desire to separate depreciation money from the rest of the money that districts get for each to/from mile. During the Life Cycle Study Committee that was held by the Transportation Advisory Committee, the method of separating the depreciation was set forth. Under the proposed system, districts could choose to depreciate large buses over 200,000 miles or 10 years, and the depreciation rate would be based on the average bus cost. The proposed system would still depreciate Class C and D buses the same. This would continue to give districts an incentive to purchase Class C buses, as the depreciation schedule would be based on the average cost of both types of bus.

Depreciation allocations should be reported to districts separately to aid in planning.

Paying depreciation money separately would entail setting up a different depreciation schedule for each bus type and tracking the odometer readings of each bus to ensure that buses are not over-depreciated. The USOE has already begun requiring odometer readings again, and this is a practice that should be continued. We feel this would be beneficial as it would also set aside the money the districts receive for depreciation so they can recognize why they are receiving that money.

Depreciation money does not have to be spent on new buses, but separating it would help districts recognize what the money was being allocated for so they could set it aside for bus purchases if they wanted. We were only able to identify seven school districts that buy buses with depreciation money. Most school districts use their depreciation money for to/from transportation, and no district can easily determine how much of their appropriation is from depreciation since it is included with their entire allocation.

Some districts in the state have not bought buses regularly enough to keep their fleets up to date. Figure 4.10 shows the average age of selected bus fleets, as well as the percentage of buses that are more than 10 years old.

Figure 4.10 Average Age of Bus Fleets for Selected School Districts. Looking at selected school districts, several bus fleets are approaching the end of their life cycles as of 2008.

District	Average Bus Age	Percent of Buses 10+ Years Old
Beaver	13	54 %
Grand	13	62
Murray	9	42
Provo	10	45

A district running an older fleet is in danger of not only having lesser equipment that costs more to operate but also of having to replace several buses at once. This could present a financial burden that would be difficult for a school district to face. If money is already set aside for bus purchases, these problems could be potentially avoided.

Recommendations

1. We recommend that the USOE develop efficiency measures for school districts' busing operations to help identify areas where additional training and/or assistance may be needed.

2. We recommend that school districts implement procedures to ensure that planned capacity utilization is considered in school bus purchasing decisions.

3. We recommend that the USOE require school districts to record and report each school bus' ending odometer reading at the end of the year to ensure that fully depreciated buses are not continuing to receive state depreciation monies.

4. We recommend that the USOE clearly identify the portion of funds distributed to school districts that are intended for school bus depreciation.

Chapter V
State Board of Education Should Address Bus Usage

The State Board of Education should address bus usage in order to minimize legal and liability risks. At least 12 school districts are currently renting out buses for activities not associated with pupil transportation, such as scouting, city marathons, summer programs, etc. The potential liability and legal risks associated with this practice merit clarification through administrative rule. Also, at least 21 school districts allow travel over state lines for field trips and activities, and at least two school districts cross state lines for regular to/from transportation. The potential liability risks associated with this practice also merit clarification through administrative rule. While it may not be feasible or desirable to eliminate renting out buses or traveling over state lines, the issues do merit clarification by the State Board of Education.

Buses Rented for Non-Pupil Transportation Present Liability and Legal Concerns

The State Board of Education should address the issue of school buses being rented out for non-pupil transportation. This is an area that has caused confusion for school districts over the years. Because of the potential legal and liability risks associated with this practice, the State Board of Education should provide clarity.

The State Board of Education should address the issue of school buses being rented out for non-pupil transportation. At least 12 school districts have allowed this practice.

We sent out a questionnaire to all 40 school districts and found that at least 12 school districts rent their school buses. Listed in Figure 5.1 below are responses from school districts that currently rent, or have rented, their buses for non-pupil transportation. Six school districts did not respond to this question, and the remaining 22 school districts said they do not allow their buses to be rented.

Figure 5.1 School District Responses to Question Regarding Bus Usage for Non-Pupil Transportation. School districts' descriptions for allowed usage of buses for non-pupil transportation.

District	Buses Used for Non-Pupil Transportation
Provo	Scouting trips
Cache and Logan*	Local marathons and private groups
Iron	Utah Summer Games and Cedar City Corp.
Millard	Area tours for class reunions
Garfield	Summer swimming program
Emery	Passengers to LDS pageant
South Sanpete	Rented out by Snow College
Washington County	City marathons
Davis	Summer youth programs
Wayne	Snow College program
Grand	Local marathons
Sevier	Rentals

**Logan School District contracts with Cache for school busing services.*

Following the recent advice of the Division of Risk Management, two school districts (Cache and Davis) said that they will stop renting out buses or reduce this practice. Other school districts stated that, based on the advice of the Division of Risk Management, they do not allow their buses to be rented out. The fact that school districts are treating the advice of the Division of Risk Management differently further supports the need for the State Board of Education to clarify the practice of renting buses.

The Division of Risk Management Discourages Districts from Renting Buses for Non-Pupil Transportation. Listed below in Figure 5.2 is the Division of Risk Management's recent advice regarding the practice of renting out buses for non-pupil transportation.

Figure 5.2 Excerpt from the Division of Risk Management to School Districts Dated February 19, 2008. The Division of Risk Management warns of potential liabilities associated with renting out school buses.

> What Risk Management does not cover are vehicles that are being loaned or rented out to non-Risk covered agencies. This includes lending or renting buses, vans, or other vehicles to cities, counties, or private parties. Again, the reason for this is potential liability arising out of such a situation. The exposure is too great and it is not fair to impose the costs on other members of the pool of transporting people for events not connected with the school, college, or university. If you choose to do this outside of Risk coverage, you should at least obtain an indemnity agreement with the borrowing party. . . . However, you should keep in mind that even with an indemnity agreement, in the event of a serious accident, litigation will likely occur, legal costs and fees will be incurred by you, and the outcome of any litigation is uncertain even with an indemnity agreement. You should also consider requiring that the borrower obtain private insurance on your vehicles. Risk can help with a list of what to look for in a proposed policy. However, any insurance does not substitute for an indemnity agreement.

The Division of Risk Management states that the potential liability exposure that occurs when school buses are used for non-pupil transportation is great.

The Division of Risk Management states that the potential liability exposure that occurs when school buses are used for non-pupil transportation is great. They also state that it is not fair for entities to impose the cost of this risk onto other members of the Risk Management pool.

In addition to the liability concerns, there is also a potential legal issue with the renting out of school buses.

Legal Concerns Are Also Present when a District Rents Buses for Non-Pupil Transportation. In addition to the liability concerns listed above, there is also a potential legal issue. The director of law and legislation for the State Office of Education issued a memorandum in December 2007, stating in part:

> The Utah Constitution provides in Art. X, Section 5 (4): The Uniform School Fund shall be maintained and used for the support of the **state's public education system** as defined in Article X, Section 2 of this constitution and appropriated as the Legislature shall provide. . . . It is clear that district-owned school buses, fueled with district-purchased gasoline, serviced at public school district expense and driven by school district employees cannot be used for non-public school activities, however worthy the endeavor or use.

Some school districts feel that the legal question is answered if the district recovers their costs for the usage of the bus. We found that some

districts calculate their costs in different ways, raising the question of whether or not full cost recovery is occurring. For example, Cache County School District charged $1.50 per mile and $21 per hour for renting out their buses but only charged Utah State University $1.50 per mile and $11 per hour. In contrast, Iron County School District charged $0.90 per mile and $23 per hour for renting out their buses.

We found one school district that clearly does not recover their costs. Grand County School District loans their buses out twice a year for local running events. The organizers of the event have established a trust fund to pay a scholarship to one boy and one girl each year. The transportation department receives no reimbursement for the use of their buses.

Whether or not school districts should be allowed to rent out their buses for non-pupil transportation should be an issue that the State Board of Education clarifies for all school districts.

The State Board of Education Should Clarify the Practice of Renting Buses for Non-Pupil Transportation. Whether or not school districts should be allowed to rent out their buses for non-pupil transportation should be an issue that the State Board of Education clarifies for all school districts.

Through administrative rule, other entities have dealt with this issue. For example, Utah's State Board of Regents has prohibited transportation of for-hire groups or individuals not affiliated with higher education. We found that other states vary in whether or not they allow school districts to rent out their buses for non-pupil transportation. For example:

- Arizona allows buses to be rented out as long as the school district is reimbursed for the expense of the trip.

- Nevada does not allow buses to be rented out for any type of non-school activities.

Through administrative rule, the State Board of Education should decide if this is a practice that it wishes to allow. If so, then the liability and legal issues should be addressed. It should also be addressed whether school districts that assume this liability risk should have to pay for the risk they are assuming.

Risk Associated with Travel over State Lines Should Be Addressed

In addition to the renting out of buses for non-pupil transportation, the State Board of Education should also address the risks associated with school buses traveling over state lines. We recognize that this risk cannot be eliminated unless the practice of school buses traveling over state lines is prohibited, but prohibiting this practice may not be desirable. For some school districts, such as Washington County, it is much more feasible to participate in activities in Nevada than travel a much farther distance to Salt Lake, sometimes in adverse weather conditions.

While activities and field trips make up the vast majority of miles traveled over state lines, a couple of school districts currently cross state lines in regular to/from transportation. For example, Cache County School District has three regular to/from routes that cross a state line. The district's transportation director informed us that if they were not allowed to cross the state line, the driver would be required to turn around on a highway, which is a safety concern. We did not evaluate whether or not alternatives (such as altering the routes or providing in-lieu transportation) to traveling over state lines for these to/from routes is feasible, but the State Board of Education should take these issues into account before making a decision.

The State Board of Education should address the issue of school buses traveling over state lines. At least 21 school districts allow this practice.

Of the questionnaire we sent to all 40 school districts:

- 21 school districts reported that they allow out-of-state travel in school buses (at least two of these school districts travel over state lines for to/from transportation).
- 12 school districts reported that they do not allow out-of-state travel in school buses.
- 7 school districts did not respond to this question.

The Division of Risk Management Discourages Travel over State Lines in District-Owned Vehicles. The Division of Risk Management provides an illustration as to why we believe the State Board of Education should address this issue.

Figure 5.3 Excerpt from the Division of Risk Management to School Districts Dated October 10, 2007. The Division of Risk Management warns of potential liabilities associated with traveling over state lines in school buses.

The Division of Risk Management warns that the liability concerns are great if a major incident should occur over state lines in a school bus.

> It would be more accurate to characterize our policy not as "restricting out-of-state travel," but rather as strongly discouraging out-of-state travel in district (or state) owned vehicles. The reason is simply one of liability. When incidents occur within the State of Utah, our exposure is limited by the Governmental Immunity Act caps. Those limits are currently set at $583,900 per person and $2,000,000 per occurrence, and are adjusted periodically based on the Consumer Price Index. If we are involved in an out-of-state accident, it is probable that those immunity caps do not apply. In other words, the ***sky could be the limit*** if a major incident should occur outside of the state. (emphasis added)

The Division of Risk Management warns that the liability concerns are great if a major incident should occur over state lines in a school bus.

Our review found that other states have addressed this potential problem differently. For example:

- Idaho allows travel out of state for sporting events and allows field trips to travel up to 100 miles over state lines.

- Arizona allows travel out of state, but the individual school district, not the state, is responsible if there is an accident.

The assistant director for the Division of Risk Management informed us that all entities in the Risk Management pool (education) pay the same rate; when one school district chooses to cross state lines, they increase the liability risk for everyone.

The State Board of Education Should Address the Practice of School Buses Traveling over State Lines. Because of the potential risk associated with traveling over state lines in school buses, we recommend that the State Board of Education address this practice to help mitigate the potential risk. The State Board of Education could consider the following:

- Minimizing miles allowed to be traveled over state lines

- Requiring school districts who assume this risk to assume full liability

- Requiring school districts who assume this risk to pay a higher premium or acquire additional insurance

Recommendations

1. We recommend that the State Board of Education address the issue of school buses being used for non-pupil transportation through administrative rule—either eliminate this practice or implement procedures to be adhered to when it occurs.

2. We recommend that the State Board of Education address the risk associated with school buses traveling over state lines through administrative rule—either eliminate this practice or implement procedures to be adhered to when it occurs.

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Appendix A
Busing Performance Measures Based on 2007 Financial Data

District	Efficiency Ratio*	Cost per Mile	Cost per Minute	Fuel Costs % of Total	Fuel Costs per Mile	Salary Costs % of Total	Salary Costs per Minute
Alpine	91 %	$ 1.055	.707	10 %	$ .35	71 %	$ .71
Beaver	83	1.230	.792	15	.46	61	.79
Box Elder	104	1.224	.535	13	.37	57	.53
Cache	102	1.086	.597	11	.35	65	.59
Carbon	96	1.695	.488	7	.26	52	.48
Daggett	81	1.916	.577	12	.44	46	.57
Davis	85	1.523	.657	8	.36	64	.66
Duchesne	84	1.885	.549	14	.51	48	.53
Emery	99	1.373	.542	10	.32	55	.53
Garfield	121	.932	.508	13	.31	59	.50
Grand	87	1.074	.737	7	.29	74	.73
Granite	111	.941	.560	10	.30	70	.56
Iron	116	1.134	.469	12	.31	52	.44
Jordan	102	1.181	.569	8	.26	64	.57
Juab	95	1.675	.507	6	.22	56	.51
Kane	94	1.327	.598	12	.40	56	.57
Millard	84	1.419	.696	11	.39	61	.69
Morgan	104	1.240	.530	13	.35	53	.52
Murray	95	1.607	.558	8	.47	73	.55
Nebo	82	1.727	.645	8	.37	60	.64
N. Sanpete	93	1.266	.631	11	.37	63	.63
N. Summit	134	1.302	.353	11	.34	56	.34
Park City	66	2.044	.824	9	.43	56	.80
Piute	89	3.753	.405	13	.99	51	.40
Provo	104	1.831	.433	11	.46	56	.43
Rich	91	1.225	.680	14	.43	58	.67
Salt Lake	83	2.139	.561	7	.36	56	.56
San Juan	128	1.130	.385	16	.34	45	.36
Sevier	93	1.503	.571	9	.35	56	.53
S. Sanpete	95	1.434	.567	15	.53	57	.55
S. Summit	82	1.536	.687	11	.42	57	.67
Tintic	69	2.712	.517	22	.92	34	.49
Tooele	105	1.489	.462	11	.35	53	.46
Uintah	86	1.417	.676	9	.32	68	.75
Wasatch	87	1.463	.644	10	.38	60	.64
Washington	141	.820	.421	11	.26	63	.41
Wayne	104	1.355	.488	13	.36	48	.47
Weber	118	.738	.586	10	.24	70	.58
Wgt Avg	**100 %**	**$ 1.233**	**$ .571**	**10 %**	**$ .33**	**63 %**	**$ .57**

* Efficiency Ratio (state average to district spending)

Logan and Ogden school districts are intentionally excluded here because they contract for their busing operations.

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Agency Response

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UTAH STATE OFFICE OF EDUCATION

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October 8, 2008

John Schaff
Auditor General
W315 State Capitol Complex
Salt Lake City, UT 84114

Dear Mr. Schaff:

Thank you for allowing a review of the exposure draft of *A Performance Audit of School Busing* (Report No. 2008-11). The Utah State Office of Education (USOE) agrees with the recommendations of the audit and is working at this time to ensure changes are made at the school district level and at USOE to incorporate each of the recommendations:

- USOE is in the process of updating the Standards for School Buses and Operations;
- new and revised administrative rules for pupil transportation are in the process of being developed for State Board of Education action;
- a new Instruction and Certification Specialist position has been created and filled to focus on implementing and enforcing processes to ensure that all Utah school bus drivers meet all qualifications and that accurate records are maintained on all drivers;
- online data input systems are being developed to ensure bus and driver statistical, as well as financial data are submitted on time, complete and with the highest degree of accuracy;
- actions are underway to develop, implement and publish online efficiency measures that will permit school district policy makers and administrators to make well-informed value judgements regarding the financial impact of the level of service they choose to provide;
- USOE is implementing progressive processes of auditing all school district pupil transportation practices to ensure districts are in compliance with all applicable laws, administrative rules, regulations, and standards–and they are operating with a focus on safety and efficiency.

We note that significant progress has already been made by USOE regarding many pupil transportation issues since the Legislative Fiscal Analyst Report to the Legislature on pupil transportation in July of 2006. We welcome the opportunity to make other significant improvements with the additional recommendations from the Legislative Audit Team. We also look to the continued support of the Legislature in carefully evaluating state resources to provide the much needed funding for the continuing growth in the number of students transported as well as the increasing costs of providing safe and efficient pupil transportation services for the children of Utah.

Thank you for the report and for the continued excellence of your office.

Sincerely,

Patti Harrington

Patti Harrington, Ed.D.
State Superintendent of Public Instruction