



To: Dr. Mike Riggle
Board of Education

From: Dr. Kimberly Ptak
Dr. R.J. Gravel

Date: Monday, February 27, 2017

Re: Transportation Fee for the 2017-2018 School Year

Recommendation

It is recommended that the Board of Education approve a student transportation fee structure for the 2017-2018 school year as follows:

- \$750.00 for individual riders purchasing their pass prior to June 3, 2017;
- \$375.00 for sibling riders purchasing their pass prior to June 3, 2017;
- \$900.00 for individual riders purchasing their pass after June 3, 2017;
- \$450.00 for sibling riders purchasing their pass after June 3, 2017.

Background

The District enters into a partnership with a transportation services provider to offer a bus service option for all students. In accordance with Board Policy 5070, bus service expenses are to be paid for by revenue collected through bus pass fees and not by tax dollars. As a result, the Board of Education reviews the estimated expenses and approves a per-student transportation fee.

Transportation Fee for the 2016-2017 School Year

In February 2016, the Board of Education approved a per-student transportation fee of \$700 (\$3.93 per day). However, as shown in the table that follows, the actual cost per student ranged from \$675 - \$830 for the first student in a family, and \$337.50 - \$415.00 for additional siblings. In past years, the differences in the per student cost were based on the following conditions:

- **Online Purchase Discount**
Transportation fees paid online received a \$25.00 discount for the first student in a family, and a \$12.50 discount for additional siblings. Transportation fees paid in-person or via the mail did not receive this discount.
- **Early Purchase Discount**
An “early” registration period is identified each year and advertised to our families. Bus passes purchased during the “early” registration period are guaranteed a seat on a bus. Additionally, our transportation routes are configured based on the passes that have been sold during the “early” registration period. For the 2016-2017 school year the “early” registration period was April 4th - June 3rd, 2016). Transportation fees paid during this period received a \$130.00 discount. Transportation fees paid after June 3rd were increased by \$130.00.

- **Sibling Discount**

In the 2008-2009 school year, the Board approved a sibling discount for families with multiple children riding the bus. The sibling discount is 50% off the applicable individual rate. (During the 2016-2017 a total of 48 sibling passes were sold.)

		Full Pay	Financial Assistance (Reduced)*	Financial Assistance (Free)
Registration Process		Pass Cost	Pass Cost	Pass Cost
Early Purchase (Prior to June 3rd)	Individual Rate - Online Purchase	\$675.00	\$337.50	\$0.00
	Individual Rate - Paper Form Purchase	\$700.00	\$350.00	\$0.00
	Sibling Rate - Online Purchase	\$337.50	\$0.00	
	Sibling Rate - Paper Form Purchase	\$350.00	\$0.00	
Regular Purchase	Individual Rate - Online Purchase	\$805.00	\$402.50	\$0.00
	Individual Rate - Paper Form Purchase	\$830.00	\$415.00	\$0.00
	Sibling Rate - Online Purchase	\$402.50	\$0.00	
	Sibling Rate - Paper Form Purchase	\$415.00	\$0.00	

* Board Policy 8320 Procedures provide a bus pass at 50% of the Board-approved fee for one student in the qualifying household; subsequent students in the qualifying household will be provided a bus pass at no charge. Online purchase discount is applied at the sibling rate.

Transportation Fee for the 2017-2018 School Year

The Finance Committee met on January 30, 2017 to review the original transportation bid, and to discuss the impact of the bid on student transportation fees. As part of the discussion we reviewed the estimated expenses for the 2017-2018 School Year, and the base fee calculation. We also discussed the previous discounts provided, and presented the following recommendations from the administration:

- **Online Purchase Discount**

During the 2017-2018 school year, bus passes will be sold as part of an InfoSnap registration process. As a result, all transportation fees will be processed online (similar to how all student registration and enrollment processes are processed online) and there is no longer a need to provide this incentive. **It is recommended that the online purchase discount of \$25.00 be eliminated.**

- **Early Purchase / Late Purchase Structure**

We have historically referred to purchases as “early” or “late”. However, in practice, this terminology is not accurate. It is recommended that we transition to the terms of “regular” and “late”. A bus pass purchased during the “regular purchase” period (prior to June 3rd) will be charged the base rate. A bus pass purchased during the “late purchase” period (anytime after June 3rd) will be charged a surcharge.

Any students who are enrolled in the District and do not register for student transportation by June 2nd will be assessed a “late fee.”

The Finance Committee recommended that in addition to recommendations presented by the administration above, the following topics be presented to the full Board for discussion:

- **Transportation Fee Calculation**

The transportation fee is presently calculated based on the estimated transportation expenses for the school year, divided by the estimated number of riders. Taking into consideration the market analysis presented and the total cost to students and parents, should the fee charged based on the individual rates be subsidized by the District?

- **Sibling Discount**

A sibling discount was approved by the Board of Education for the 2008-2009 school year. The cost of the sibling discount for the 2016-2017 school year was \$16,875. Should the Board continue to offer a sibling discount?

- **Transportation Levy**

The District has historically levied a total of \$500,000 for the purposes of student transportation. These funds have been used to pay for students receiving bus passes under our financial assistance program, as well as for special education transportation. The total transportation budget for FY2017 is \$2,592,473. Should the Board consider increasing the transportation levy in future years to account for the difference in costs?

In summary, the recommended transportation fees for 2017-2018 by the administration are as follows:

	FY2017	FY2018
Regular Transportation Fee	\$700.00	\$ _ _ _
Late Surcharge	\$130.00	\$ _ _ _
Online Discount	\$25.00	\$ _ _ _
Sibling Discount	50%	_ _ %
District Subsidy for Paying Riders	\$0.00	\$ _ _ _

Local Elementary and High School School Transportation Fee and Budget Structure

District	Total Students	Total Ridership	Per Student Charge			Transportation Budget	
			Full Pay	Reduced	Free	User Fees	District Expense
27	1,244	654	\$325	\$162.50	\$0	33%	67%*
28	1,840	810	\$280	\$0	\$0	11%~	89%~*
29	470						
30	1,114	294	\$545	N/A	\$0	54%	46%
31	845	380	\$495	\$247.50	\$0	38%	62%+
225	5,100	1,000	\$700	\$350	\$0	55%	45%*^

* Funded by the Transportation Levy

+ Funded by the Transportation Levy and CPPRT

^ Represents total transportation fixed expenses of \$676,890, and revenue of \$373,925; difference in revenue/expenses (\$302,966) is a result of Board-paid financial aid and a sibling subsidy of 50%

~ Represents total transportation budget; individual user fees for paying riders are reduced subsidized around 55%

Comparative High School Transportation Fee Structure

In preparation for the January 30, 2017 Finance Committee meeting, the proceeding market analysis was performed to provide a perspective regarding our student transportation fee compared to other districts in the area. It is important to note that several districts identified below are required by Illinois School Code 105/5 to provide transportation services at no charge, to students living in excess of 1.5 miles from their school, or less than 1.5 miles from their school if the route to school constitutes a serious hazard to the safety of the pupils due to vehicular traffic or rail crossings.

District	Provider	Trans. Required?	Per Student Charge		
			Full Pay	Reduced	Free
District 113 (H.P./Deerfield)	District Operated	Yes	\$460	\$460	\$460
District 115 (Lake Forest)	Olson	No	\$386	N/A	\$0
District 203 (New Trier)	Alltown	No	\$715	\$0	\$0
District 211	District Operated	Yes	\$170	\$170	\$170
District 214	Cook Illinois / F.S.	Yes	\$540		
District 215 (Stevenson)	First Student	No	\$0	\$0	\$0
District 219 (Niles)	Hybrid - D.O./F.S.	Yes	\$300	\$150	\$0
District 225 (Glenbrook)	First Student	No	\$700	\$350	\$0

Student To/From School Transportation - FY2018 - Estimated Fixed Expenses

		# of Routes	Daily Rate	Daily Cost	Annual Cost (178 School Days)
Purchased Services	AM To/From School Routes	26	\$78.27	\$2,035.02	\$362,233.56
	PM To/From School Routes	26	\$78.27	\$2,035.02	\$362,233.56
	Late Activity To/From School Routes	5	\$75.00	\$375.00	\$66,750.00
					\$791,217.12
Subtotal					\$791,217.12
Contingency Budget for To/From School Transportation Expenses (1 AM/PM Route, 178 Days)					\$27,864.12
Total Student To/From School Transportation Estimated Purchased Services Expenses					\$819,081.24

Student To/From School Transportation Expense - FY2018 - Recommended Fee Calculation

Total Number of Riders (Includes All Students Regardless of Payment Tier)	1,000
Calculated Cost Per Rider (Total FY2018 Expenses / Total Number of Riders)	\$819.08
Board Subsidy Per Rider to Minimize Fee Impact to Households	\$69.08

Total Cost \$69,080.00

Cost Per Rider	\$750.00
Cost Per Day of Transportation (Cost Per Rider / 178 School Days)	\$4.21

Potential Subsidy Scenarios

Based on Student Fee

<i>Cost Per Rider</i>	\$700.00	\$750.00	\$800.00
<i>Board Subsidy Per Rider</i>	\$119.08	\$69.08	\$19.08
<i>Total Cost of Subsidy</i>	\$119,081.24	\$69,081.24	\$19,081.24

Transportation Fees - FY2018 - Recommendation

Base Regular Individual Rate:	\$750.00
Late Purchase Surcharge (20% of Regular Individual Rate):	\$150.00
Sibling Discount (off Individual Rate)	50%

		Full Pay	Financial Assistance (Reduced)*	Financial Assistance (Free)
Registration Process		Pass Cost	Pass Cost	Pass Cost
Regular Purchase (Prior to June 3rd)	Individual Rate	\$750.00	\$375.00	\$0.00
	Sibling Rate	\$375.00	\$0.00	
Late Purchase	Individual Rate	\$900.00	\$412.50	\$0.00
	Sibling Rate	\$450.00	\$0.00	

* Board Policy 8320 Procedures provide a bus pass at 50% of the Board-approved fee for one student in the qualifying household; subsequent students in the qualifying household will be provided a bus pass at no charge. Online purchase discount is applied at the sibling rate.

Student To/From School Transportation Expense - FY2018 - Estimated Revenue

	Registration Process	Full Pay			Financial Assistance (Reduced)			Financial Assistance (Free)		
		Pass Cost	Count	Revenue	Pass Cost	Count	Revenue	Pass Cost	Count	Revenue
Regular Purchase (Prior to June 3rd)	Individual Rate - Online Purchase	\$750.00	362	\$271,500.45	\$375.00	24	\$9,000.01	\$0.00	234	\$0.00
	Sibling Rate - Online Purchase	\$375.00	38	\$14,250.02	\$0.00	0	\$0.00			
Late Purchase	Individual Rate - Online Purchase	\$900.00	117	\$105,300.15	\$412.50	36	\$14,850.02	\$0.00	179	\$0.00
	Sibling Rate - Online Purchase	\$450.00	10	\$4,500.01	\$0.00	0	\$0.00			
			527	\$395,550.62		60	\$23,850.04		413	\$0.00
Total Bus Passes				1000						
		Collected Revenue		\$419,400.66						
		District Financial Assistance Expense for Reduced Benefits		\$26,550.03	<i>This is not revenue, this is an expense.</i>					
		District Financial Assistance Expense for Free Benefits		\$336,600.51	<i>This is not revenue, this is an expense.</i>					
		Total Collected Revenue and Financial Assistance Expenses		\$782,551.21						

Student To/From School Transportation Expense - FY2018 - Estimated Revenue/Expense Reconciliation

Total Collected Revenue and Financial Assistance Expenses	\$782,551.21	
Total Estimated Purchased Services Expenses	\$819,081.24	
Board Subsidy Per Rider to Minimize Fee Impact to Households	\$69,080.00	<i>This is not revenue, this is an expense.</i>
Surplus/Deficit (Revenue - Expenditures)	36,530.03	
Reference Data:		
Board Subsidy for Sibling Riders of Full Pay Students	\$18,750.03	