

**DATE:** May 22, 2018

**TO:** Board of Trustees

**FROM:** Darrel Robertson, Superintendent of Schools

**SUBJECT:** 2018–2019 Student Transportation Fees

**ORIGINATOR:** Dr. Lorne Parker, Assistant Superintendent

**RESOURCE STAFF:** Geoff Holmes, Christopher Wright

**REFERENCE:** [Bill 1: An Act to Reduce School Fees](#)

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**ISSUE**

Annually, the Board of Trustees reviews Student Transportation fees. The Board attempts to keep fee increases to a minimum while continuing to provide excellent levels of service. The last fee increase took effect in August 2014. Revenue from Student Transportation fees and the use of Student Transportation carry-forward funds are used to cover any funding gap between the cost of the District’s transportation service delivery and provincial grants. Entering the 2018–2019 school year, carry-forward funds have been exhausted and Student Transportation predicts a funding gap that will need to be addressed through a combination of sources to avoid decreases in transportation services.

**BACKGROUND**

Student Transportation is funded from two sources—provincial transportation grants and student transportation fees. In recent years, funding has fluctuated due to factors such as the inclusion and removal of the provincial fuel subsidy, enrolment growth and new school openings. For the past number of years, the District has maintained a service delivery model that is comprehensive and responsive, yet allows for stability in bus pass prices through the retention and use of carry-forward funds.

In the 2017–2018 school year, Student Transportation exhausted all carry-forward reserves, which were accrued over time through a combination of bus pass fees, operational efficiencies and provincial fuel funding. An operational deficit was projected in Student Transportation; however, the District chose not to increase fees in order to better understand how increasing enrolment, discussions around changes to provincial walk limits, and regulatory changes resulting from the implementation of *Bill 1: An Act to Reduce School Fees*, would come together to impact finances in Student Transportation. As a result of not increasing fees, while maintaining the same level of service, it is anticipated that approximately \$5,500,000 will be required from District surplus funds in order to cover the 2017–2018 operational deficit.

For the 2018–2019 school year, Student Transportation predicts a funding gap that will need to be addressed through a combination of sources to avoid decreases to transportation services. They include:

### Operational Efficiencies

Student Transportation continues to implement increased efficiencies in their service delivery model. There is further work to be done in this area following consultation with stakeholders, but initiatives planned for September 2018 will result in anticipated savings totaling approximately \$1,700,000. They include:

- Working with schools to make minor changes to bell times so more schools can share buses. As a result, recent growth in new neighbourhoods and at new alternative program sites will be accommodated using no additional resources.
- Student Transportation will share busing resources with Edmonton Catholic Schools. Over 20 routes have been identified where buses can be used by both jurisdictions.
- Implementation of a new carrier contract that minimizes the impact of fluctuating fuel prices and introduces carrier performance incentives.

### Fees

Student Transportation is proposing an increase to fees. The extent to which Student Transportation fees increase annually is dependent on:

- level of provincial funding
- expenditures related to the District's cost of purchasing Edmonton Transit Service (ETS) student bus passes from the City
- number of students purchasing public transit passes
- number of schools served
- number of students and type of programs supported by yellow bus service
- geographic areas covered for transportation
- cost of school bus contracts
- unfunded and non-statutory services offered by the District
- compliance to regulations and eligibility procedures

### Additional Board Funding

It is also proposed that additional District surplus funds be applied in order to minimize the increase to bus pass rates. With no increase to fee levels or decrease to services, the anticipated allocation required to offset the 2018–2019 operational deficit is \$4,000,000. Board funding is required in addition to the proposed bus pass fee increase.

### **RELATED FACTS**

In considering the proposed 2018–2019 fee increase, the following should be noted:

- A Student Transportation fee schedule that reflected changes under *Bill 1* was approved by the Minister of Education for use in the 2017–2018 school year (Attachment I).
- Fee increases of more than five per cent must be approved by the Minister of Education in writing.
- The last increase to Student Transportation fees was implemented in August 2014. Prior to the 2014–2015 school year, fee increases were approved in the 2010–2011 school year. The 2014 increase represented an increase of 11 per cent on the elementary monthly pass price and 14.6 per cent on the junior and senior high monthly pass price. The 2010 increase, represented an increase of 12.5 and 11.6 per cent on the elementary and junior/senior high passes respectively.
- The 2014–2015 bus pass prices have remained in effect through the 2017–2018 school year.

- Since 2014–2015, yellow bus ridership has increased by 22 per cent. The majority of the increased demand is from new and developing communities.
- Effective September 2018, the District’s cost to purchase transit passes from the City of Edmonton will increase by \$2 per month to a cost of \$75 per pass. This represents a nine per cent increase over the cost of the pass in September 2014 of \$69 per month.
- One component of the 2018–2019 cost increases is the result of higher daily rates paid to contracted yellow bus carriers. Although an ongoing Request for Proposal process will determine yellow bus rates for the 2018–2019 school year, yellow bus carrier rates increased approximately seven per cent between 2014–2015 and 2017–2018.
- The anticipated 2018–2019 provincial grants represent an increase of approximately 10 per cent since 2014–2015. This excludes the allocation provided to the District by the Province for the implementation of *Bill 1: An Act to Reduce School Fees*, which was designed to offset an equivalent decrease in fee revenue collected from parents.
- The Provincial Budget released in March 2018 confirms that the District will continue to receive the same amount of funding for the 2018–2019 school year to offset parent fees reduced following the implementation of *Bill 1*. The Provincial allocation is based on 2015–2016 enrolment, so has not been increased to align with the District’s 10 per cent enrolment growth.

## RECOMMENDATION

**That an increase to Student Transportation fees be approved for implementation in August 2018 from the following options.**

## OPTIONS

Based on the information provided in this report, the following options are considered most appropriate. Dollar values have been rounded down to ensure fees are in whole dollars.

1. Increase Student Transportation fees by 10 per cent in September 2018 (five per cent for 2017–2018 as fees were held constant through the implementation of *Bill 1*; five per cent for 2018–2019). This would represent an increase of approximately \$3 per month on an elementary bus pass and \$5 per month on junior/senior high bus passes.
2. Increase Student Transportation fees by 10 per cent in September 2018, and five per cent each year going forward during the term of this Board. This would represent an increase of approximately \$3 per month on an elementary bus pass and \$5 per month on junior/senior high bus passes in the first year, and a further \$1 and \$2 a month respectively each year.
3. Increase Student Transportation fees by five per cent in September 2018, and five per cent each year going forward during the term of this Board. This would represent an increase of approximately \$1 per month on an elementary bus pass and \$2 per month on junior/senior high bus passes each year.

## CONSIDERATIONS and ANALYSIS

Following the implementation of *Bill 1*, Transportation fees for students who fit the Provincial definition of transportation eligibility are comparable across jurisdictions. The key changes include:

- Removal of yellow bus transportation fees for approved riders who attend:
  - Their designated school and reside at least 2.4 km away.
  - A District centre special needs program or an inclusive setting at their designated school.
- Reducing the cost of ETS passes for students who attend:
  - Their designated school and reside at least 2.4 km away.
  - A District centre special needs program or an inclusive setting at their designated school.

For students who do not meet this definition of eligibility for transportation, fees differ across the province. Some examples of approved 2017–2018 transportation fees for students who do not meet provincial eligibility criteria in other jurisdictions are included below.

### **Edmonton Catholic School District (ECSD)**

Kindergarten – no fees

Elementary students – \$320 per year

Junior High / Senior High / ETS – \$520 per year

Notes:

- ECSD does not offer a discount for annual passes, whereas the proposed annual Edmonton Public Schools' rates of \$265 and \$520 (includes 10 per cent increase if approved) represent lower monthly rates for elementary students (designated school or language program) and the same monthly rate for junior high, senior high, and ETS passes.
- ECSD increased rates for junior and senior high in September 2017 by \$2 per month.

### **Calgary Board of Education (CBE)**

Kindergarten – \$335 per year

Grades 1-9 – \$335 per year

Calgary Transit – \$700 per year

Notes:

- CBE does not offer an option for monthly pass sales for most fee categories.

### **NEXT STEPS**

If approved at Board, the new Student Transportation fees will be submitted to Alberta Education for approval before May 31, 2018. Once approved by the Minister of Education, the new fees will be communicated to school administration and families prior to the start of the 2018–2019 school year.

### **ATTACHMENTS and APPENDICES**

ATTACHMENT I      Approved 2017–2018 Student Transportation Fees

GH:ks

## 2017-18 Student Transportation Fees

The following fees apply to students that are eligible for transportation.

For more information, please contact **Student Transportation at 780-429-8585** or talk to your school.

### KINDERGARTEN

There is no charge for Kindergarten students applying for Yellow Bus transportation.

	GRADE 1 to 6				GRADE 7 to 12			
	Yellow Bus (Monthly)	Yellow Bus (Annual)	ETS (Monthly)	ETS (Annual)	Yellow Bus (Monthly)	Yellow Bus (Annual)	ETS (Monthly)	ETS (Annual)
<b>Attending their designated school</b>								
Students attending their designated school and reside <b>2.4 km away or more</b>	\$0	–	\$18	\$180	\$0	–	\$18	\$180
Students attending their designated school and reside <b>less than 2.4 km away</b>	\$30	\$240	\$30	\$240	\$55	\$470	\$55	\$470
<b>Grade 7-9 students</b> continuing to attend the same designated school as attended in elementary and reside <b>less than 2.4 km away</b>	–	–	–	–	\$30	\$240	–	–
<b>Not attending their designated school</b>								
Students not attending their designated school regardless of distance	–	–	\$55	\$470	–	–	\$55	\$470
Students attending bilingual or immersion program	\$30	\$240	\$30	\$240	–	–	–	–
Students attending other alternative program (not bilingual or immersion)	\$55	\$470	\$55	\$470	–	–	–	–
<b>Special education needs curb service</b>								
Pre-Kindergarten, Kindergarten and students from Grade 1 to 12 with special education needs who are unable to use regular bus routes	\$0	\$0	–	–	\$0	\$0	–	–
<b>Conditional riders (Kindergarten to Grade 12)</b>								
	\$55	–	–	–	\$55	–	–	–
<b>Replacement cost (lost or stolen)</b>								
	\$6	–	\$73	–	\$6	–	\$73	–
<b>Family maximum (applies to Grade 1 to 6 only)</b>								
Students attending designated school	\$72	\$570	\$72	\$570	–	–	–	–
Students attending bilingual or immersion program	\$72	\$570	\$72	\$570	–	–	–	–
Students attending other alternative program (not bilingual or immersion)	\$135	\$1149	\$135	\$1149	–	–	–	–

#### ANNUAL PASS

- Annual yellow bus passes look different than monthly passes.
- Annual passes must be paid in full at the school office by September 15, 2017.

#### EDMONTON TRANSIT PASSES

- Students enrolled at a District elementary, junior high or senior high school can purchase an ETS bus pass at their school.
- Passes are valid for unlimited travel on Edmonton Transit, including statutory holidays.
- Students can buy a replacement ETS pass at their school, or request a free replacement for a damaged ETS pass by turning in an identifiable piece of the damaged pass.