

MASC/MASS Fall 2016 Conference

Special Education Transportation

Cost Saving Strategies

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Cost Factors Affecting Transportation Services

- Not all special education students can be serviced in-district
- Students may require a monitor, nurse, adaptive equipment
- Districts utilize the 7D vehicle to transport at an average vehicle cost of \$30,000 to \$40,000 annually based on 180 days
- More programs are operating between 200 and 220 days
- Based on the October 1 FY16 DESE Census 10,345 students attended 405 special education out-of-district schools/programs

October 1 DESE Census FY2016

PROGRAM TYPE	NUMBER OF SCHOOLS/PROGRAMS	NUMBER OF STUDENTS
Collaborative Programs	188	4,069
Private Schools	141	5,706
Other	76	570
TOTAL	405	10,345

Transportation Costs FY15 Schedule 7

- Total Cost for Special Education Transportation was \$288,663,205
- This includes both in-district and out-of-district transportation
- The cost of out-of-district transportation in FY15 was \$119,383,224
- Represented by 11,576 Riders

Costs for Out-of-District Transportation FY2015

TYPE OF PROGRAM	EXPENDITURES	# OF STUDENTS	PRICE/STUDENT
Preschool	\$ 2,263,653	274	\$ 8,262
Public School Programs	\$ 8,829,164	1085	\$ 8,137
Public Separate Day Schools	\$ 48,087,797	4785	\$ 10,050
Private Day Schools	\$ 56,309,447	4967	\$ 11,337
Private Residential Schools	\$ 2,904,550	325	\$ 8,937
Homebound/Hospital	\$ 326,760	65	\$ 5,027
Public Residential Institutions	\$ 661,852	75	\$ 8,825
TOTAL	\$ 119,383,223	11,576	\$ 10,313

Total Cost of Special Education Transportation FY 2015

TYPE OF PROGRAM	EXPENDITURES	# OF STUDENTS	PRICE/STUDENT
Preschool	\$33,548,536	8,472	\$3,960
Public School Programs	\$146,824,263	40,559	\$3,620
Public Separate Day Schools	\$48,087,797	4,785	\$10,050
Private Day Schools	\$56,309,447	4,967	\$11,337
Private Residential Schools	\$2,904,550	325	\$8,937
Homebound/Hospital	\$326,760	65	\$5,027
Public Residential	\$661,852	75	\$8,825
TOTAL	\$288,663,205	59,248	\$51,755

Special Education Transportation Task Force

- In 2003 representatives from MASS, MOEC, maaps, MAPT and ASE organized to discuss rising costs in out-of-district special education transportation
- A State Wide Task Force was created in 2004
- Preliminary study showed significant cost savings by consolidating routes
- For the past several years the Massachusetts Legislature and the Department of Elementary and Secondary Education have funded initiatives to reduce cost of out-of-district transportation

Task Force Members

- **Massachusetts Association of School Superintendents**
- **Massachusetts Organization of Educational Collaboratives**
- **Massachusetts Association of School Business Officials**
- **Massachusetts Association of School Committees**
- **Massachusetts Association of Special Education Administrators**
- **Massachusetts Association of Approved Private Schools**
- **Massachusetts Association of Pupil Transportation**

What Can be Done to Create Efficiencies?

- Utilize a shared multi-district approach
- Participation in a regional transportation network or Collaborative
- Information arrangements made between towns/districts
- District owned and operated transportation
- Bid special education transportation to receive competitive prices

Cost Savings

- Significant savings can be realized when several districts share vehicle costs
- Vehicle cost divided by the number of districts on the vehicle
- Average route cost=\$215 per day
 - District would pay that as solo run or share with other districts

Cost Savings Example

- Significant cost savings can result if districts share routes

Cost Savings Example			
<u>District</u>	<u>Current per Day Cost*</u>	<u>Cost Avoidance*</u>	<u>Annual Savings180 Days</u>
Boxford PS	\$71.60	\$215.00	\$25,812.00
Newburyport PS	\$71.60	\$215.00	\$25,812.00
Topsfield PS	\$71.60	\$215.00	<u>\$25,812.00</u>
Combined Cost Avoidance (Savings):			<u>\$77,436.00</u>

*Hypothetical figures based on past data collected

Resources Available

- A website was developed in FY2012 to show the October 1 DESE Data

www.spedtranssavings.org

- This data can assist in identifying contiguous districts to explore potential ride sharing

Resources Available

- The Massachusetts Association of Pupil Transportation was awarded a contract from the Department of Elementary and Secondary Education
- Activities include conducting Special Education Transportation reviews with a 50% contribution from the district
- Scope of Work to be Conducted
 - Review all contracts and in-house operations if appropriate
 - Explore option of district operated program
 - Conduct analysis of transportation budget and route costs
 - Review IEP process
 - Other areas the district would like addressed

What Have We Learned From Some of the Reviews We Have Completed?

- **Maximizing** vehicle load is key to savings
- Makes sense to see if neighboring/contiguous communities also have children attending same out of district school
- Sometimes this is not possible
 - Some students need to ride alone
 - Age differences
 - Geography between schools and/or home
 - Existing contracts with vendor(s)

What Have We Learned From Some of the Reviews We Have Completed?

- In-district transportation-usually have enough students from town so that vehicle has many students going to same school
- Discussion at the IEP meeting impacts transportation costs

Challenges

- Parents may not want child riding with students from other districts
- Length of ride
- Frequent changes to routes
- Special conditions for monitors and/or wheelchairs

Collaborative Transportation Systems

- Many Collaboratives coordinate regional sped transportation
- 26 Collaboratives Statewide, 38% of them offer transportation services to approximately 98 cities and towns

Many Different Ways Collaboratives Have Assisted Member Districts To Reduce Transportation Costs

- Purchase or lease vehicles and hire drivers to provide this service
- Place out to bid listing of students from member districts who attend similar out of district schools
- Coordinate routes on behalf of districts. Work with receiving schools and parents
- Invoice districts rather than vendor invoicing districts. Check bills then pay vendor

One Example Of How Collaboratives Work And What We Have Learned?

LABBB/EDCO Transportation Network

History Of LABBB/EDCO Network

FY2007 (LABBB)

Many meetings (Arlington, Burlington, Lexington)

First effort-21 students attending 5 out of district programs

After 10 Years Of A Collaborative Transportation Effort

Seven Districts Now Involved: Arlington, Belmont, Burlington, Lexington,
Waltham, Watertown, Weston

FY16-FY18 Three year bid

- 461 students
 - 36% (174) going to 20 in-district programs
 - 64% going to 86 different out of district programs

These students attend over 100 different schools/programs in 41 different towns

The Key Is Maximizing Vehicle Capacity And Sharing Route Costs

60% Of Out of District Runs Have Students From 2 Or More Districts On Same Vehicle

Without formal collaboration these students may have been on separate vehicles or vendor may have placed them on same vehicle and districts may have been charged full cost of van price

FY15-Transportation For 461 Students Attending Over 100 Schools/Programs In 41 Towns Placed Out To Bid

Range Of Bids Per Run-\$95-\$250

MEDIAN COST=\$177/VEHICLE

AVERAGE COST=\$181/VEHICLE

Bids Created Competition

Five different vendors won runs

Received quite a range of prices

Low end of range=\$95*208 Days=\$19,760/van

High end of range=\$250*208 Days=\$52,000/van

Average vehicle cost=\$181*208 Days=\$37,648/van

Key Is Sharing Costs

TWO STUDENTS ON RUN---\$37,648/2=\$18,824 PER RIDER

THREE STUDENTS ON RUN---\$37,648/3=\$12,549 PER RIDER

FOUR STUDENTS ON RUN---\$37,648/4=\$9,412 PER RIDER

The Districts Decided That The
Collaborative Would Hire A
Person Who Would Coordinate
The Transportation Network On
Behalf Of The Member Districts

This person works with receiving schools/parents/districts/vendors

This Seems So Simple Why Doesn't It
Happen Everywhere?

Barriers To Collaborative Transportation

- Past Relationships With Vendors
- Parent Relationship With Driver
- Parent Concerns With New Vendor
- Parent Trust-child Being Driven Across Towns
- Past Experiences With “New Company”
- Administrators Thinking They Have A Good Deal Already
- If It Doesn't Go Well (Missed Pick-ups, Poor Driver, Etc.) It Occupies Much Time And Effort

What Would It Cost If A District Leased It's Own Vehicles

	<u>Estimated Cost</u>
• ANNUAL VEHICLE COST (7D)-5 YEAR LEASE W/MAINTENANCE	\$ 6,634
• DRIVER WAGES	
• \$16/HR-5 Hours/day-208 days	\$ 16,640
• Fringe Benefits-really depends on health insurance	
• State Retirement	\$ 3,328
• Workers Compensation	
• Medicare cost	
• Health Insurance-could be as high as 16-19k	
• Long term retirement costs?	
• GAS (100 miles a <u>day@2.75/Gallon</u>) 15 mpg	\$ 3,800
• INSURANCE	<u>\$ 2,500</u>
	\$ 32,902

(Other Items-Administration/Profit)

Sometimes It Makes Sense To Lease/Purchase Your Own Vehicle/Hire Driver To Provide Service

- Average vehicle cost=\$181*208 Days= \$37,648
- Estimated vehicle cost if leased by District or Collaborative= \$32,902
- Estimated Difference \$4,746

Collaboration Means Working Together

- Have to decide how to share the cost of the runs
- Have to arrive at shared standards
- Have to decide who is the point person with vendors, schools and parents-lea or collaborative?

Transportation from a City Perspective

Worcester Public Schools

Considerations

- Out-of-District transportation is the least efficient and the most expensive
- Bid out all outside Special Education runs as opposed to quoting each trip
- Vendor competition, research available vendors in your area

Considerations

- Some vendors will share information with you for the best price while others are more guarded with their route information
- Know your neighbors
- The telephone can be your most valuable tool to secure a good price
- A few minutes invested can save considerable money

Considerations

- What is the least restrictive environment for these students?
- Ride alone or ride with peers?
- Who is paying and who should be in control?

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