Status Report: Progress on Implementation of The New Student Transportation Funding System

Report to the Legislature

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State Superintendent of Public Instruction

September 2011
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Status Report: Progress on the Implementation of the New Student Transportation Funding System

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Executive Summary

The 2010 Washington State Legislature passed Substitute House Bill 2776, which established the implementation date of the new student transportation funding system as September 1, 2011. This report provides the current status of the implementation process.

The Student Transportation Allocation Reporting System (STARS) was fully implemented on September 1, 2011. The rules implementing the new system were filed with the Code Reviser's Office on July 7, 2011 and were effective on September 1, 2011.

Workshops focused on using the Geographic Information System (GIS) mapping application within STARS were held across the state during the summer. While these workshops concentrated on the school bus route reporting process, significant discussion regarding other aspects of the reporting system were included in many locations. Initial response from district users has been extremely positive.

Orientation and training of school district transportation staff is continuing. The Regional Transportation Coordinators are providing a minimum of 23 training sessions statewide in September, specifically targeting the student count process and other elements of the reporting requirements. Districts unable to attend group training sessions are receiving individual training sessions on request.

This status report provides a link to download copies of the reporting General Instructions and the Detailed Guidance and samples of reports available to system users.
I. Introduction

The 2005 Washington State Legislature directed the Joint Legislative Audit and Review Committee (JLARC) to study the extent to which districts track or report to/from transportation costs and the extent to which the transportation funding method reflects the actual costs of providing to/from transportation (in addition to other requirements). In November 2006, JLARC delivered the report to the Legislature, including recommendations on improving the school district accounting process and on developing a new funding system able to address the statewide underfunding in student transportation (identified as being in the range between $92.6 and $114.4 million per year). JLARC recommended a new system because “... the current funding method cannot generate funding that reflects each district’s actual costs due to significant structural and implementation problems.”

The 2007 Washington State Legislature passed Second Substitute Senate Bill 5114 that provided for a consultant, under contract with the Office of Financial Management, to develop two models for a new student transportation funding system. The 2009 Legislature passed Engrossed Substitute House Bill 2261 that provided for the implementation of one of the resulting models (the Expected Cost Model) ‘no later than’ September 1, 2013. Subsequently, the 2010 Legislature passed Substitute House Bill 2776 that established the exact implementation date of the new funding system as September 1, 2011, and provided funding for the implementation of the necessary computer system.

The Student Transportation Allocation Reporting System (STARS) was adopted as the name for the new system.

During July and August 2010, the Office of Superintendent of Public Instruction (OSPI) issued and awarded a request for proposal (RFP) and hired CodeSmart, Inc. of Lacey, Washington to develop the core infrastructure of STARS. A separate RFP to develop the necessary Geographic Information System (GIS) subsystem was awarded to IntegralGIS, Inc. of Seattle, Washington. The system development was completed prior to July 1, 2011 and within budget.

The remainder of this report will provide details on the development and preparations for the implementation that have taken place since the last quarterly report.
II. System Development

System development was completed on June 30, 2011, as scheduled. Final costs were within budget.

OSPI contracted with ECONorthwest of Portland, Oregon, to provide expertise in the statistical systems involved in the funding system (the regression analysis) and the efficiency system (the linear programming). An electronic copy of ECONorthwest's final report is available on request.

III. Orientation and Training

Orientation and training of school district transportation staff is continuing.

Training on the STARS reporting requirements was conducted primarily in April, May and June. These smaller workshops focused on the data collection and reporting requirements rather than on training that was targeted towards understanding the calculation mechanism used by the funding system.

A full day of workshops was provided on June 28th, at the Washington Association for Pupil Transportation's annual conference. This training was well attended and provided an hour of material regarding data collection and reporting requirements and an additional hour of training on the use of the GIS application.

Regional training was provided by the transportation coordinators during July and August of 2011, as requested by school district staff. This training focused on the GIS system interface and the precise steps necessary to complete the route information sections of the report. Many individual training sessions were held at school districts where staff needed the additional intense training environment.

During September 2011, the regional transportation coordinators are providing more than 23 workshops providing intensive training on the details of the reporting requirements to prepare school districts for the first report (due October 31, 2011). These workshops will focus on the student count process and how to complete the non-funding reports. For the new non-funding reports (School Bus Fuel and McKinney-Vento Transportation), districts are providing estimates if the district did not have a tracking system in place to collect data during the 2011–12 school year.
IV. Rules, Instructions and Detailed Guidance

The rule change required to implement STARS (Washington Administrative Code 392-141) was filed with the Code Reviser’s Office on July 7, 2011 and the language is in effect. A copy of the language was provided as an attachment to the June 2011 Status Report.

General Instructions and Detailed Guidance for reporting have been sent to school district staff and multiple regional training opportunities are being provided by the regional transportation coordinators during September 2011. The General Instructions and the Detailed Guidance are available on the OSPI website at: http://www.k12.wa.us/transportation/default.aspx (in the “What’s New” box).

Staff from the State Auditor’s Office met with OSPI and regional transportation coordinators to review the reporting requirements in order to continue planning for the initial audit of the data reported under STARS. Auditor management staff responsible for school transportation will attend a regional transportation workshop scheduled for September 20th.

V. Funding System

The initial report of data from school districts is due no later than October 31, 2011. However, determination of the coefficients that are the primary statistical drivers will be not be able to be evaluated until after the 2010–11 school year expenditure data is available in December 2011. For the 2011–12 school year only, the data used to determine the coefficients will be the fall 2011 data compared with the 2010–11 expenditure data. Final funding determination for the 2011–12 school year will be made after the winter 2012 report is due on February 1, 2012.

Beginning with the 2012–13 school year, and continuing thereafter, funding system coefficients will be determined by comparing school district reported workload data against the same school year expenditure data. This will provide a more valid statistical match. It is expected that the coefficients may show some change in the first years as behavior adjusts and stabilizes (after the elimination of inefficiencies).

Beginning with the 2012–13 school year, and continuing thereafter, the reporting data used to determine the allocation will consist of the prior school year’s spring report and the current school year’s fall and winter reports. The use of the prior year spring report allows the final allocation for each school district to be determined in February.
VI. Efficiency System

The initial set of statistically valid efficiency ratings will be available in January 2013. The efficiency ratings compare reported transportation data against final expenditure data. Final expenditure data from school districts is available no earlier than December of each year.

Regional Transportation Coordinator reviews of comparative efficiency ratings will be conducted (as required by RCW 28A.160.117) of any school district transportation operation rated less than 90 percent efficient. These reviews will be reported to the Legislature in December of each year. The regional coordinators will conduct reviews of the initial ratings and the results of those reviews will be available the following year, beginning in December 2012. At that point, the December 2011 ratings will be able to be compared to the ratings resulting from analysis of the 2011–12 school year data (a better statistical dataset).

VII. Available Reports

STARS will provide a series of reports for analysis of data by school district staff to evaluate if the submitted data is correctly reflected in STARS and reports to analyze the statewide school transportation system by state fiscal staff and planners. Reports for school district self-audit use will be primarily available within the STARS secure site. Reports of more general interest will be available on the public access OSPI Student Transportation site. The Uniform Resource Locator (URL) for this report site has not been determined at this time. The December 2011 status report will provide the URL for public access to reports.

Reports are provided showing each school district reported data for each report period: student counts by program type, the number of students provided with transportation service via transit and the number of students provided with school bus transportation within the school district established walk area. Other reports show the calculations that result in the final allocation. These reports will show the calculated allocation resulting from the STARS system prior to any adjustment necessary due to less than full funding in the legislative appropriation. Actual school district operations funding for those districts receiving less than their full calculated allocation will be available by February 15, 2012 with distribution made through the normal school district apportionment process on the final business day of February.

Statewide summaries include of mileage estimated for the use of school district motor pool vehicles in the transportation of students in to–and–from school transportation for the current year, a report of student
Prior school year reports, non-funding related, consist of school district reports of the number of miles school buses were operated, school district reports of the type, quantity and cost of fuel used in school transportation, and school district reports on the number of students transported, the number of miles driven and the cost of transportation for students eligible for transportation service under the requirements of the federal McKinney-Vento Homeless Assistance Act.

VIII. Conclusion

STARS has been fully implemented effective September 1, 2011.

In the initial year, funding coefficients will be determined comparing new system reported data from the fall report with prior system expenditures from the 2010-11 school year. Funding will be distributed with the new system using fall and winter 2011-12 school year data beginning in February 2012. In future years, the coefficients will be evaluated using reported expenditures from the same school year as the reported student ridership data.

Comparative efficiency ratings will not be statistically defensible until a complete year of reported ridership data is available with corresponding expenditures. The initial efficiency ratings will be based on mixed data in December 2011 and will be used for training and initial evaluations.

Optimally developed comparative efficiency ratings will not be available until December 2012. The results of the regional coordinator reviews of districts with comparative efficiency ratings less than 90 percent based on the statistically valid mix of expenditures and matching work load will be available in December 2013.
IX. Appendix

Reports available in STARS range from those specifically designed to assist a school district in the self-audit process to those designed for use by state level fiscal and planning staff.

All reports are available for export into multiple formats, including as a Microsoft Excel workbook.

While the report query page (Figure 1) is available only to those with access through the Education Data System (EDS), statewide reports will be posted on the OSPI Student Transportation public website.

The following pages show examples of the reports available in STARS. These reports are taken from the STARS test site and values in data fields are test data.

![Student Transportation Allocation Reporting System](image)

Figure 1. Detail view of the STARS report query page
Student Detail Report

When a district wants to verify their submitted student ridership counts during their self-audit process, they can select the Student Detail Report (Figure 2). The report will show the reported student count of each category.

When this data is queried for all districts and requested as a Microsoft Excel file, users can view and analyze statewide totals for all student rider categories. A statewide report will be posted on the OSPI Student Transportation public access web site showing the values for each school district at the end of each reporting period.

Figure 2. Example of the Student Detail Report  (test data.)
Route Data Report

The Route Data Report (Figure 3) is designed to assist school districts in their self-audit process. The information here will reflect all route and bus stop data submitted by the district to STARS. This view also provides school districts with the calculated average distance between all school bus stops and associated destinations.

Figure 3. Example of the Route Data Report (test data)
**District Car Mileage Report**

The District Car Mileage Report (Figure 4) reflects a school district’s current year estimate of the total annual mileage for to-and-from school student transportation and the actual mileage for past years. Districts are required to update estimated mileage no less than once each reporting period and provide the final annual mileage by July 15th of each year.

A statewide report will be posted on the OSPI Student Transportation public access web site showing the values for each school district reporting district car miles at the end of each reporting period.

<table>
<thead>
<tr>
<th>CGDDD</th>
<th>District</th>
<th>Miles</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>14006</td>
<td>ABERDEEN</td>
<td>1,786</td>
<td>$500.08</td>
</tr>
</tbody>
</table>

Figure 4. Example of the District Car Mileage Report (test data)
Expected Allocation Detail Report

The Expected Allocation Detail Report (Figure 5) provides the user the details of the STARS calculation of a school district’s expected allocation, including the coefficients and constant term provided by the regression analysis.

For this report, selecting a region or statewide view results in each school district’s calculation details on a separate page of the report. A statewide report will be posted on the OSPI Student Transportation public access web site at the end of each reporting period.

![Image of Expected Allocation Detail Report](image)

**Figure 5. Example of the Expected Allocation Detail Report (test data)**
Summary Allocation Report

The Summary Allocation Report (Figure 6) provides a view of the adjustments made to a district’s allocation prior to the final calculation. For instance, after the transition period, an adjustment will be made for districts with low ridership (the system development consultant’s data indicated a value of less than 109 students). Details for any adjustments reflected in the first column would be available in the Alternate Funding System Adjustment Report (see page 14).

A statewide report will be posted on the OSPI Student Transportation public access web site at the end of each reporting period.

![Table](test data)

Figure 6. Example of the Summary Allocation Report (test data)
**Monthly Allocation Adjustment Report**

The Monthly Allocation Adjustment Report (Figure 7) is for internal OSPI use. This report will provide a report of any adjustments made between the 15th of one month and the 14th of the next, for use in transmitting any changes in school district allocation resulting from changes to previously reported data to the School Apportionment and Financial Services (SAFS) section.

![Figure 7. Example of the Monthly Allocation Adjustment Report (test data)](image)

**Actual Allocation Report**

The Actual Allocation Report (Figure 8) shows the lesser of the Adjusted Allocation and the prior school year’s expenditures (plus indirects). This report would be used to transmit final funding data from the OSPI Student Transportation section to SAFS. SAFS would then distribute funding as provided in the Washington State Omnibus Appropriations Act.

A statewide copy of this report will be posted on OSPI’s Student Transportation website no later than February 15th of each year.

![Figure 8. Example of the Actual Allocation Report (test data)](image)
Alternate Funding System Adjustment Report

The Alternate Funding System Adjustment Report shows any adjustments made to a school district’s transportation operations allocation based on the provisions of RCW 28A.160.191 Student transportation allocation — Adequacy for certain districts — Adjustment. No adjustments will be made during the 2011–12 school year.

Figure 9. Example of the Alternate Funding System Adjustment Report (test data)
School Bus Mileage Report

The School Bus Mileage Report is an annual report of each school districts prior school year’s actual mileage for school buses. To/From mileage means all mileage related to the normal operation of required transportation, including home-to-school, shuttles between learning centers, and training of school bus drivers. Field Trips are non-required, academically related trips, while Extra-curricular are non-required, non-academic trips such as sports. “Intergov” is short for “Intergovernmental” and include those trips under intergovernmental inter-agency agreements.

Districts are required to submit this data during the fall report period, no later than the last business day in October. A statewide copy of this report will be posted on OSPI’s Student Transportation website no later than November 15th of each year.

![Table of School Bus Mileage](image)

Figure 10. Example of the School Bus Mileage Report (test data)
McKinney-Vento Homeless Transportation Report

The McKinney-Vento Homeless Transportation Report is an annual report providing details of the impact on each school district’s transportation costs resulting from the McKinney-Vento Homeless Assistance Act. Districts are required to provide the total number of student trips provided, the total mileage of such trips and the total cost of providing this transportation.

Districts are required to submit this data during the fall report period, no later than the last business day in October. A statewide copy of this report will be posted on OSPI’s Student Transportation website no later than November 15th of each year.

![Table of transportation data](test data)

Figure 11. Example of the Homeless Transportation Report (test data)
School Transportation Fuel Report

The School Transportation Fuel Report provides the total number of gallons and cost of each type of fuel purchased by school districts for the to-and-from transportation of students. School districts are allowed to break out fuel usage by prorating based on the annual mileage report data (after removing non-transportation fuel usage).

Districts are required to submit this data during the fall report period, no later than the last business day in October. A statewide copy of this report will be posted on OSPI’s Student Transportation website no later than November 15th of each year.

<table>
<thead>
<tr>
<th>CDDD</th>
<th>District</th>
<th>Fuel Type</th>
<th>Gallons</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>34324</td>
<td>GRIFFIN</td>
<td>Diesel</td>
<td>19,000</td>
<td>$65,000.00</td>
</tr>
<tr>
<td>34324</td>
<td>GRIFFIN</td>
<td>Gas</td>
<td>400</td>
<td>$1,200.00</td>
</tr>
<tr>
<td>17401</td>
<td>HIGHLINE</td>
<td>Diesel</td>
<td>175,886</td>
<td>$444,649.00</td>
</tr>
<tr>
<td>08122</td>
<td>LONGVIEW</td>
<td>Diesel</td>
<td>87,000</td>
<td>$400,000.00</td>
</tr>
<tr>
<td>08122</td>
<td>LONGVIEW</td>
<td>Gas</td>
<td>24,000</td>
<td>$6.00</td>
</tr>
<tr>
<td>08122</td>
<td>LONGVIEW</td>
<td>Other</td>
<td>999</td>
<td>$1.10</td>
</tr>
<tr>
<td>18400</td>
<td>NORTH KITSAP</td>
<td>Diesel</td>
<td>500,000</td>
<td>$300,000.00</td>
</tr>
<tr>
<td>18400</td>
<td>NORTH KITSAP</td>
<td>Gas</td>
<td>100,000</td>
<td>$400,000.00</td>
</tr>
<tr>
<td>17417</td>
<td>NORTHSHORE</td>
<td>Diesel</td>
<td>215,026</td>
<td>$711,867.55</td>
</tr>
<tr>
<td>17417</td>
<td>NORTHSHORE</td>
<td>Gas</td>
<td>6,469</td>
<td>$19,082.00</td>
</tr>
<tr>
<td>39007</td>
<td>YAKIMA</td>
<td>Diesel</td>
<td>50,000</td>
<td>$196,566.00</td>
</tr>
</tbody>
</table>

Figure 12. Example of the School Transportation Fuel Report (test data)
**District Exceptions Report**

The District Exceptions Report is for Regional Transportation Coordinator and OSPI use. The report lists those districts who have not completed required reports. This allows the region coordinator or OSPI to contact the district to ensure compliance.

This report will only be available through the STARS secure interface.

![Example of the District Exceptions Report](test data)

**Efficiency Export Report**

The Efficiency Export Report is designed for OSPI staff use. The report is will be used to export the prior year reported data from the STARS system for input into the linear programming analysis tool (a separate software package).

This report will only be available through the STARS secure interface.

![Example of the Efficiency Export Report](test data)