

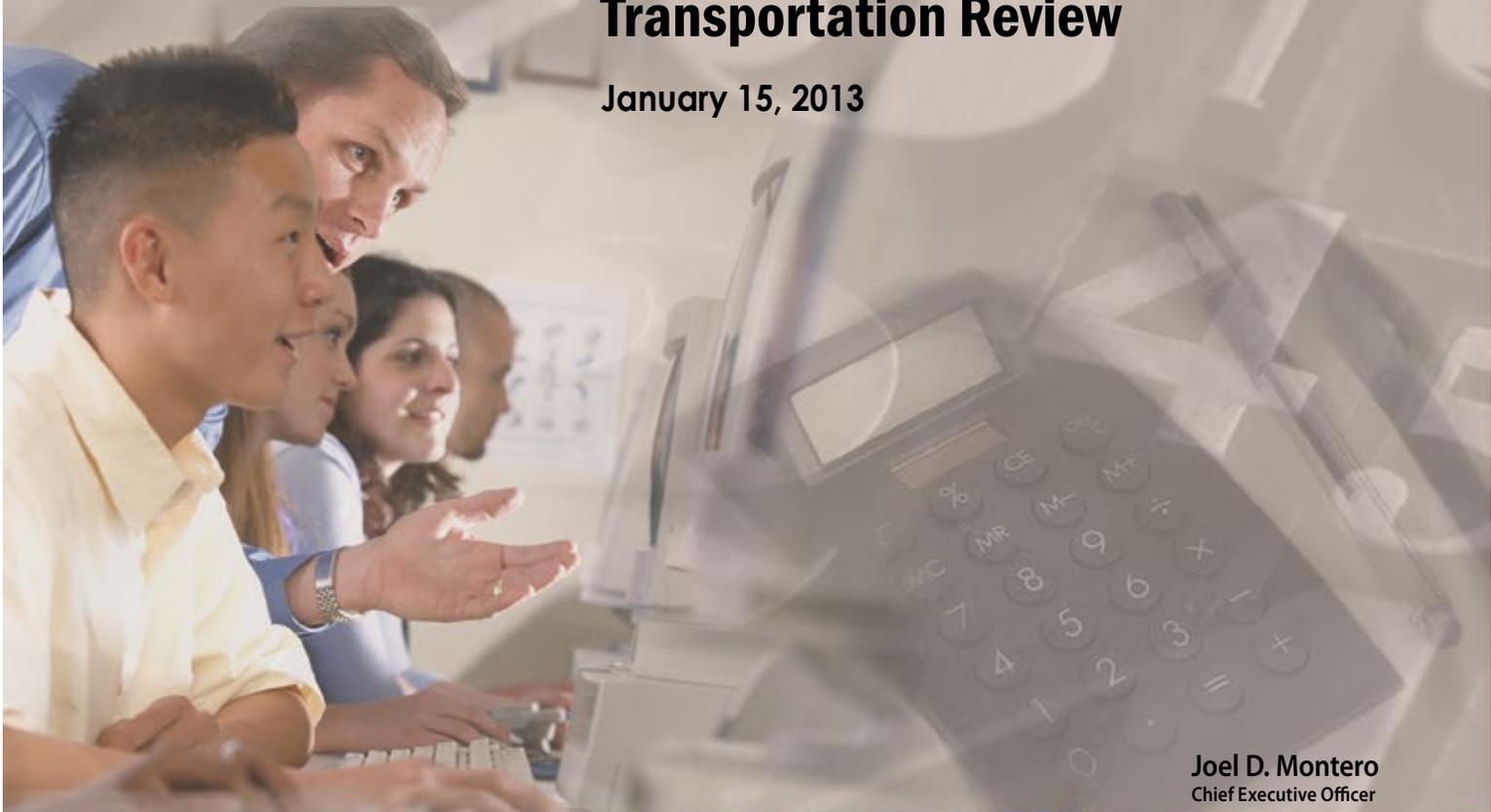


CSIS California School Information Services

Covina Valley Unified School District

Transportation Review

January 15, 2013



Joel D. Montero
Chief Executive Officer







CSIS California School Information Services

January 15, 2013

Catherine J. Nichols, Ed. D., Superintendent
Covina-Valley Unified School District
519 E. Badillo Street
Covina, CA 91723

Dear Superintendent Nichols:

In July 2012, the Covina Valley Unified School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for a review of the district's transportation programs and services. Specifically, the agreement stated that FCMAT would perform the following:

- 1) Conduct a review of the transportation costs utilizing two years of Audited Financial Statements and the 2011-12 fiscal year budget for costs to provide a fiscal analysis of the revenue and expenditure trends impacting the transportation department. The objective is to make recommendations to enhance revenues and reduce expenditures and make recommendations to reduce the encroachment to the unrestricted general fund.
 - a. Provide budget Assumptions for 2011-12 and 2012-13 fiscal years
 - b. Review the operating revenues and expenditures as a percent of the total budget
 - c. Review revenue line items
 - d. Evaluate operating expenditures
 - e. Review expenditure line item explanations
 - f. Sources and Uses of Funds
 - g. Debt Obligations if leases are proposed for the purchase of buses
 - h. Operating Improvements
 - i. Capital Improvements

FCMAT

Joel D. Montero, Chief Executive Officer

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- j. Capital Contingency Fund
 - k. Capital Asset Distribution
 - l. Interagency transfer of funds
- 2) Provide recommendations for appropriate staffing levels and the organizational structure for the proposed transportation department using comparative school districts. Comparisons should be made to six school district departmental operations of similar size and structure regarding productivity and efficiency models and shall include the following components:
- a. Personnel Summary by District position
 - b. Review Job Descriptions
 - c. Review customer service records or logs
 - d. Review support training by position
- 3) Review specifically the operations of transportation services which shall include the following: Operations, Routing, and Scheduling and make recommendations to develop the department's operational requirements for Home to School and special education transportation.
- a. Review and provide Student Demographic Data
 - b. Review records from the district's service provider and develop the Average Weekly Ridership by Site, Resource & District and forecast summary
 - c. Evaluate routing methodologies including the use of automated routing software
 - d. Review the number of routes including board policies regarding walking distances
 - e. Review the bell schedules and school start times
 - f. Evaluate vehicle maintenance and Inspection report requirements
 - g. Propose bus loading and student counts
 - h. Review the School Bus Inventory, if any, School Bus Procurement Schedule and Equipment availability
 - i. Review equipment and driver requirements for field trips
 - j. Provide customer service or complaint logs
 - k. Review the IEP process for student transportation
 - l. Review board policies, administrative regulations and past practices regarding open enrollment policies for busing students, if any.

This final report contains the study team's findings and recommendations in the above areas of review. FCMAT appreciates the opportunity to serve the [district name], and extends thanks to all the staff for their assistance during fieldwork.

Sincerely,

A handwritten signature in black ink, appearing to read "Joel D. Montero". The signature is fluid and cursive, with a prominent initial "J" and "M".

Joel D. Montero

Chief Executive Officer

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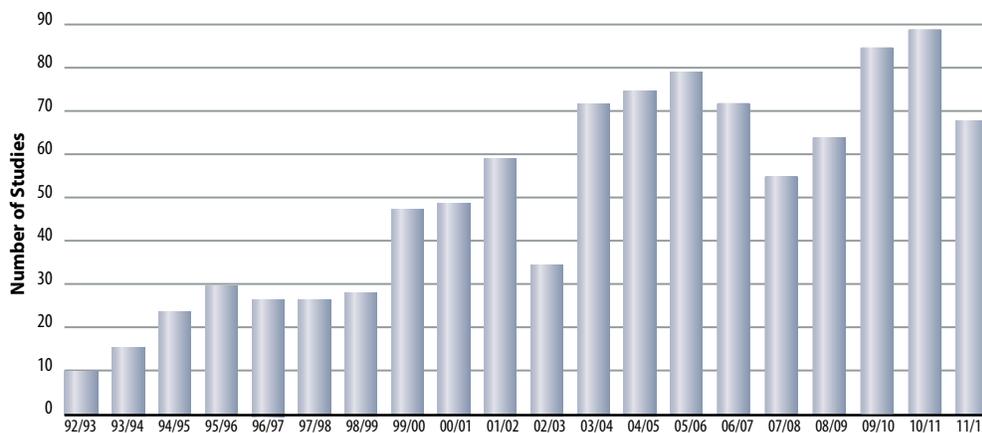
About FCMAT

FCMAT's primary mission is to assist California's local K-14 educational agencies to identify, prevent, and resolve financial and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related school business and data services. FCMAT's fiscal and management assistance services are used not just to help avert fiscal crisis, but to promote sound financial practices and efficient operations. FCMAT's data management services are used to help local educational agencies (LEAs) meet state reporting responsibilities, improve data quality, and share information.

FCMAT may be requested to provide fiscal crisis or management assistance by a school district, charter school, community college, county office of education, the state Superintendent of Public Instruction, or the Legislature.

When a request or assignment is received, FCMAT assembles a study team that works closely with the local education agency to define the scope of work, conduct on-site fieldwork and provide a written report with findings and recommendations to help resolve issues, overcome challenges and plan for the future.

Studies by Fiscal Year



FCMAT also develops and provides numerous publications, software tools, workshops and professional development opportunities to help local educational agencies operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) arm of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS) and also maintains DataGate, the FCMAT/CSIS software LEAs use for CSIS services. FCMAT was created by Assembly Bill 1200 in 1992 to assist LEAs to meet and sustain their financial obligations. Assembly Bill 107 in 1997 charged FCMAT with responsibility for CSIS and its statewide data management work. Assembly Bill 1115 in 1999 codified CSIS' mission.

AB 1200 is also a statewide plan for county office of education and school districts to work together locally to improve fiscal procedures and accountability standards. Assembly Bill 2756 (2004) provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans.

In January 2006, SB 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT's services to those types of LEAs.

Since 1992, FCMAT has been engaged to perform nearly 850 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Joel D. Montero, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

Introduction

Background

The Covina-Valley Unified School District is located in southeastern Los Angeles County, along and between Interstate Highways 10 and 210 in the San Gabriel Valley. The district served approximately 12,552 students in the 2011-12 school year in 10 elementary schools, three middle schools, three comprehensive high schools and one alternative education high school spread across approximately seven square miles, including the cities of Covina, West Covina, Glendora, San Dimas and Irwindale. The district also operates one preschool program and five adult education programs on its 17 school campuses. It employs approximately 1,760 certificated and classified support staff. The district has experienced a slight but steady decline in enrollment over the past several years.

On July 1, 2012 the district entered into a study agreement with FCMAT to perform a review of its transportation programs and services.

With the help of this study, the district has expressed a desire to answer the following questions:

1. What would be the savings to the district if it reduced transportation service levels to those required under the Education Code?
2. What would the savings be if the district provided required services (identified in #1) and changed the eligibility criteria for nonmandated home-to-school transportation support so that it served approximately half the number of students currently served?
3. What savings could be achieved if the district offered its current level of service while implementing the FCMAT recommended efficiencies to be identified through the study?

In addition, specific areas of potential greater efficiency to be reviewed include the following:

1. The cost formula for transportation services provided to surrounding districts in the East San Gabriel Valley Special Education Local Plan Area (SELPA) for students attending programs in the Covina-Unified School District. Specifically, does the district appropriately charge for expenses or does it subsidize other districts that it provides with transportation services?
2. Transportation contracts with outside vendors for athletic trips and the County Office of Education for special education.
3. District bus route student loading.
4. The revenue that could be generated by expanding transportation services contracts in neighboring school districts.

As a result, the scope of study agreed upon was as follows:

- 1) Conduct a review of the transportation costs utilizing two years of Audited Financial Statements and the 2011-12 fiscal year budget for costs to provide a fiscal analysis of the revenue and expenditure trends impacting the transporta-

tion department. The objective is to make recommendations to enhance revenues and reduce expenditures and make recommendations to reduce the encroachment to the unrestricted general fund.

- a. Provide budget Assumptions for 2011-12 and 2012-13 fiscal years
 - b. Review the operating revenues and expenditures as a percent of the total budget
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- h. Review the School Bus Inventory, if any, School Bus Procurement Schedule and Equipment availability
- i. Review equipment and driver requirements for field trips
- j. Provide customer service or complaint logs
- k. Review the IEP process for student transportation
- l. Review board policies, administrative regulations and past practices regarding open enrollment policies for busing students, if any.

Study Team

The study team was composed of the following members:

John Von Flue
FCMAT Fiscal Intervention Specialist
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James Foley*
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Kerman, CA

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Director of Transportation
Poway Unified School District
Poway, CA

Michael Rea*
Executive Director
West County Transportation Agency
Santa Rosa, CA

John Lotze
FCMAT Technical Writer
Bakersfield, CA

*As members of this study team, these consultants were not representing their respective employers but were working solely as independent contractors for FCMAT.

Study Guidelines

FCMAT visited the district on July 18, 19 and 20, 2012 to conduct interviews, collect data, review documents and inspect facilities and buses. This report is the result of those activities and is divided into the following sections:

- I. Executive Summary
- II. Transportation Finance
- III. Contracted Services and Expenses
- IV. Routing and Service Logistics
- V. Contracting, Field Trips and Fees
- VI. Vehicle Maintenance
- VII. Driver Training
- VIII. Staffing

Executive Summary

State funding for Covina-Valley Unified School District's pupil transportation covers less than 35% of costs. The funding is applied for through the California Department of Education's Pupil Transportation report (commonly known as the TRAN report) that every school district submits annually. The TRAN report includes the district's costs, bus routes, number of students and number of miles for regular home-to-school transportation and transportation for severely disabled/orthopedically impaired (SD/OI) students.

The district does not track transportation-related expenditures and costs in sufficient detail to accurately report or manage its transportation expenses, or make informed management decisions. In addition, the district charges all expenses to regular home-to-school transportation, then transfers a percentage to SD/OI transportation based on miles driven. This method may not accurately reflect the cost of each program, resulting in over- or under-reporting of expenses for each specific transportation program. The district also may not be capturing all expenses for transportation that supports the special education local plan area (SELPA). Specifically, the district develops the SELPA routes and should be charging for the cost of these services. The district should also review its SELPA invoices to ensure that it is capturing all related expenses and charging the SELPA appropriately. The district also provides transportation services for the Charter Oak School District, but is not recouping its full expenses under this contract. The district does not track labor, parts, vehicle maintenance and fuel costs for each vehicle and program, but needs to do so to gain an accurate understanding of costs and opportunities to increase efficiency.

The district contracts with outside providers for transportation for special education and for some activities. The district should review its contracted services regularly to ensure that the contracts are properly administered and the invoicing is correct, and to evaluate the need for continued services. Depending on other commitments, the district may be able to more economically serve some students who are being transported by contractors.

The district's current bus routing does not adhere to its board policies regarding non-transportation areas (also known as walking zones) and needs to be reviewed annually because the district may be providing unnecessary transportation.

The district purchased bus routing software to help create efficient routing but has yet to implement the application. The district should implement this system because it may identify opportunities to increase efficiencies and will facilitate planning and routing in the future. In addition, the district's schools' start and end times are not staggered sufficiently to allow for bus routes to serve more than one site. The district should consider staggering starting and ending times by at least 45 minutes to allow buses to serve more than one school during a shift.

The district collects fees for bus service and accepts contributions for transportation for extra activities, but the net revenue after taking into account the cost of administering these collections does not provide a significant financial benefit. In addition, the district provides health and welfare benefits to part-time transportation staff, which is a large expense that is not provided for in the collective bargaining agreement. The district should review and monitor its costs of doing business and make adjustments toward working more economically.

With the exception of one bus that had traveled more miles than allowed between inspections, maintenance for the district's 32 buses and 40 other fleet vehicles and equipment complies with all applicable laws and regulations. The district needs to improve tracking and documentation

of maintenance and inspections so that they are based on both miles driven and time intervals. Maintenance costs also need to be tracked and documented in more detail.

The district's amount of transportation department staffing meets or exceeds that needed for the level of service offered and work required. The mechanic shop has one mechanic for every 18 vehicles, while the industry average is approximately 25 vehicles per mechanic, indicating they may be overstaffed. Bus driver training is maintained by the supervisor and is up to date, as are the safety plan and drills.

Findings and Recommendations

Transportation Finance

School transportation is severely underfunded in California. Until 1977, California fully reimbursed school districts for their reported operational costs for transportation. From 1977 to 1982, the state began reducing the reimbursement rate, and in the 1982-83 school year the state capped the reimbursable amount at the amount the district received that year, which was equal to approximately 80% of costs. Cost of living adjustments to this amount have been granted only occasionally in subsequent years. By the 2008-09 school year, the reimbursement only covered approximately 45% of school districts' reported transportation expense, and that reimbursement was further reduced by 19.84%, 19.81% and 19.8352% in the 2009-10, 2010-11 and 2011-12 school years, respectively. As a result, California now reimburses only approximately 35% of reported school transportation costs. In addition, a school district is reimbursed the lower of either the approved state apportionment or the reported expenses. Thus if expenses are less than the approved state apportionment, the following year's apportionment will be lowered to that expenditure level and cannot be regained.

The district tracks its transportation expenses as a whole rather than separating home-to-school transportation, special education transportation, and activity trips. The district records the full costs of transportation as home-to-school expenses, then distributes the expenses to other programs at the end of the year by estimating the percent of total expenses.

This estimation is based on miles driven, and the distribution amount is determined by miles attributed to the program compared to the total district transportation miles. For example, if the home-to-school miles make up 60% of total miles, the expenses for home-to-school will also constitute 60% of total expenses. This estimation is used to complete the annual TRAN report, which is required by all districts that request transportation reimbursement funding.

In most districts, the TRAN report is typically the only objective criteria by which to measure transportation costs and compare them with those of other districts. However, reported program costs are not always accurate. Unless all expenses are meticulously tracked by program, such as home-to-school, special education and activity trips, to reflect the actual direct and indirect expenses, a program can easily appear to cost more or less than it actually does. Although it is not uncommon for a district to track all transportation expenses under its home-to-school account and then distribute expenses to its special education, activity trips and other related transportation, it is a better practice to accurately track the actual program expenses and charge them to the correct accounts routinely during each fiscal year.

Funding of Staff Positions

The district's position control records show various funding arrangements for transportation staff that may not accurately represent their actual activities. All bus drivers and transportation office support personnel are fully charged through resource 7230, home-to-school transportation. The lead mechanic is charged at 50% to 7230 and 50% to Maintenance and Operations (M&O). One mechanic is charged 100% to resource 7230 and another is charged 100% to M&O. The fourth shop employee, identified as a service worker, is charged 50% to resource 7230 and 50% to M&O. No time allocation study was conducted and no time distribution schedule was in place to support this funding arrangement.

In addition, expenses such as a vehicle parts, supplies and/or labor are not tracked and assigned to the appropriate resource account at the time the work is performed, making it nearly impossible for the district to accurately separate these costs at a later time. Although the district's current practice is not uncommon, using its vehicle maintenance tracking software to also identify labor, parts and supplies, would help the district better identify exact program costs.

By splitting costs as it now does, the district risks not accurately capturing the detailed expenses for labor, parts, fuel and related supervisory oversight. This can make it appear that home-to-school transportation operates at a higher expense than it really does, and make special education transportation support appear lower than it actually is, or vice versa.

TRAN Reports

A review of the district's TRAN reports revealed some anomalies. The 2008-09 TRAN identified minimal insurance expenses, and the 2009-10 and 2010-11 TRANs did not identify any insurance expense.

The state-approved expenses vary and are reduced dramatically on the district's 2010-11 TRAN, which indicates a total general fund contribution of only \$601,009 to transportation. The 2010-11 TRAN also differs from district records, indicating a reporting irregularity. For example, the state-approved revenue for 2010-11 was \$258,899 for home-to-school transportation and \$273,620 for special education transportation for severely disabled/orthopedically impaired students (SD/OI), and the district's records for 2010-11 indicate expenditures of \$581,183 for home-to-school transportation and \$1,547,100 for SD/OI transportation. Although only district-provided transportation support expense should be included on the TRAN, the district also included SELPA expenses.

Covina Valley Unified School District TRAN Data

	2008-09		2009-10		2010-11	
	Home-to-School	SD/OI	Home-to-School	SD/OI	Home-to-School	SD/OI
Buses	22	15	19	14	18	14
Students	420	130	730	123	882	127
Students w/ IEP	79	130	343	123	342	127
Miles	98,159	188,978	111,240	212,940	140,000	109,900
Cost per Mile	\$6.29	\$8.05	\$6.66	\$5.70	\$3.87	\$5.44
Cost per Student	\$1,470.42	\$11,711.60	\$1,014.92	\$9,877.80	\$613.65	\$4,708.32
Approved Cost	\$617,579.70	\$1,522,508.03	\$740,896.00	\$1,214,969.00	\$541,244.00	\$597,957.00
Revenue	\$322,959.00	\$341,322.00	\$258,879.00	\$273,598.00	\$261,657.00	\$276,535.00
General Fund Contribution	\$294,620.70	\$1,181,186.00	\$482,017.00	\$941,371.00	\$279,587.00	\$321,422.00
Contracted		\$771,019.54		\$435,569.00		\$450,876.00

Recommendations

The district should:

1. Separate the budgets and expenses for home-to-school, SD/OI, other vehicle transportation, and vehicle maintenance.
2. Critically examine its transportation expenses in both the 7230 and 7240 resources to ensure that they are accurately capturing all expenses related to home-to-school and SD/OI transportation.
3. Ensure that its TRAN reports include all appropriate expenses and no inappropriate or incorrect expenses.

Contracted Services and Expenses

The district operated 20 school bus routes at the beginning of the 2011-12 school year. This included five special education local plan area (SELPA) routes serving special education students, including those from the district. These five routes were previously operated by an outside contractor, Durham Transportation, but were assumed by the district at the beginning of the 2011-12 school year because it had an excess of drivers resulting from routing efficiencies implemented as the school year began. However, routing sheets indicate that the district released the SELPA routes back to the contractor as it experienced staffing challenges. By the end of the 2011-12 school year, the district was operating only 15 school bus routes and Durham Transportation was operating the five SELPA routes.

The district develops the routing for all SELPA routes operated by the contractor but does not receive compensation or reimbursement for these efforts. It would be best practice and in the district's interest to invoice the SELPA for all services provided, including costs for buses, drivers and the creation of SELPA routes. The documentation available does not clearly indicate whether the district appropriately invoiced the SELPA members, including itself. The SELPA was invoiced \$71,889 for the 2011-12 year. Although the exact cost of supporting the SELPA is not known, the information provided indicates that it is much greater than this amount.

The district does not perform a regular review of each invoice received from contractors. Regular review would help ensure that billing is correct for services received and that performance criteria included in the contract is being met. Effective reviews typically include verification of passengers transported to ensure that the district pays only for the number of district students transported during any given billing cycle and the application of appropriate charges if the contractor fails to meet contractual conditions.

The district also provides transportation for the neighboring Charter Oak School District, operating three routes for this purpose and charging \$62 per hour for each route. For the 2011-12 school year, the district's estimated revenue from these routes was \$122,387.

It is not possible to determine definitively whether the district is recovering its expenses because of the lack of detailed cost tracking, as discussed earlier, and because vehicle repair expenses, maintenance expenses, fuel use and labor costs are also not individually tracked. However, based on the total operating cost of equipment, the cost of five to seven hours of labor daily, and health and welfare benefits of comparable operations, FCMAT estimates expenses to be approximately \$50,000 - \$60,000 annually per route, for a total of approximately \$150,000 to \$180,000 annually to support this contract. Thus, based on comparable operations, the district is approximately \$25,000 to \$55,000 short of recovering its expenses to operate the three bus routes for Charter Oak School District.

The district's SELPA contracts with Durham Transportation to provide transportation for the SELPA. Durham also provides transportation for Los Angeles County Office of Education (LACOE) special education students. Durham Transportation's current contract with the district states that the three-hour base rate for a 16-passenger bus is \$210.39; additional time is billed at a cost of \$32.99 per hour. The three-hour base rate for a wheelchair bus is \$216.88, with each additional hour costing \$35.05. All but one of the routes covered by the contracts are less than four hours per day. FCMAT found the contract to be standard and consistent with those found in other districts with similar needs.

The Los Angeles County Office of Education provides transportation service for approximately 200 of the district's students who attend LACOE special education programs. The estimated 2011-12 expense for 210 days of service was \$107,000. FCMAT's evaluation of the transportation services received indicates that this cost is very competitive. The district has only recently begun evaluating the LACOE invoices for accuracy, and interviews revealed that some inaccuracies have been found. As part of its review of the LACOE invoices, the district is also evaluating whether it can transport some of its students who are being transported by LACOE to programs within the district's boundaries. The district and FCMAT expect that the district will realize additional efficiencies and savings if it provides transportation for its students who are now transported by LACOE.

Because the current cost of using Durham to provide transportation for the SELPA is reasonable and, as findings later in this report show, becomes more competitive when the district's bus drivers' guaranteed contract hours, compensation and health and welfare benefits are taken into account, FCMAT believes that the district should not take over operation of the SELPA routes currently operated by Durham Transportation.

Rather, it would benefit from improving its monitoring and management of the contractor and provision of oversight. The current lack of oversight is confirmed by the district's inability to identify liquidated damages or verify that liquidated damages are being charged to the contractor as identified in the agreement. Staff indicated that SELPA buses occasionally run late and that there are occasional routing concerns but that these are resolved internally.

Recommendations

The district should:

1. Evaluate its 2011-12 SELPA transportation invoices to ensure that they capture all expenses and are charging appropriately.
2. Institute internal cost tracking in their transportation program to ensure that all expenses are captured for the transportation it provides for the Charter Oak School District.
3. Charge the SELPA for providing the transportation routing for their contractor.
4. Review all contractor invoices to ensure that agreed-upon service levels are met, that billing is appropriate for number of students, and that liquidated damages are applied if required.
5. Continue to evaluate and consider transferring to district bus routes those students currently being transported by LACOE to programs within the district's boundaries.

Routing and Service Logistics

For the past three years, the district has steadily reduced its non-mandated home-to-school bus routes. TRAN reports indicate that the district operated 22 home-to-school routes in 2008-09, 19 routes in 2009-10 and 18 routes in 2010-11. However the district's total bus mileage increased during this time. The district's 2011-12 TRAN report will show another significant reduction in bus routes, with a total of 15 home-to-school and SD/OI routes.

According to the district's special education department, the district has 1,780 students with individualized education program (IEPs), and an additional 200 students attend LACOE-operated special education programs, for a total of 1,980 students with IEPs.

Approximately 300 students have IEPs that include transportation as a related service; however, district routing sheets indicate that the actual number of students being transported on district-operated and SELPA contractor-operated routes is close to 200. The number of students being identified as needing transportation should be close to the same as the number receiving transportation. One possible reason for the discrepancy between the two numbers is that the IEPs are over-identifying the need for transportation.

It would benefit the district to evaluate its IEP process to ensure that IEP teams are fully knowledgeable of the Individuals with Disabilities Education Act (IDEA) and the requirement that transportation as an identified related service be provided in the least restrictive manner. A critical examination of the special education student population is needed to determine which students require transportation as a related service and to determine the routing and staffing needed to provide this service.

In 2011-12, the district placed many of its special day class (SDC) students at their school of residence, which resulted in the elimination of five bus routes. The district projects that it will have 52 fewer special education students in 2012-13, which should allow it to continue reducing special education bus routing and thus lower transportation costs.

For most of 2011-12, the district operated 15 daily school bus routes and three routes for the Charter Oak School District as discussed earlier. Five bus routes provided home-to-school transportation, three provided special education transportation, and the remaining seven served a mixture of regular home-to-school and special education students.

As discussed earlier, at the beginning of the 2011-12 school year the district also operated five additional routes for their SELPA students, but because of staffing shortages gradually returned all of these to the SELPA contractor, Durham Transportation, by the end of the year.

In 2010-11, the district transported 882 regular home-to-school and 127 SD/OI students. Student passenger counts provided by the district show a reduction of 27% in home-to-school transportation and 40% in SD/OI transportation for the 2011-12 school year. Information from staff and district-supplied routing sheets indicates that the district is currently providing transportation for approximately 241 home-to-school students and 51 special education students, which is a further reduction.

The number of students on each bus (commonly referred to as student load count) is very low on home-to-school routes compared to bus capacity and normal operating loads. The following data was extracted from the district's route sheets and indicates approximate student load counts (actual student load counts vary daily):

Student Load Count Data

Five dedicated home-to-school routes

Route	Students
J	20
K	22
L	17
M	43
T	5

Three dedicated special education routes

Route	Students
A	2
C	3
F	13

Seven routes serving both regular home-to-school and special education students

Route	Students
H	69 home-to-school, 2 special education
I	30 home-to-school, 1 special education
B	26 home-to-school, 4 special education
D	1 home-to-school, 3 special education
E	4 home-to-school, 12 special education
G	3 home-to-school, 12 special education
N	6 home-to-school, 5 special education

As mentioned previously, the district provides transportation services under contract for the Charter Oak School District using three special education buses. To simplify billing, the district chooses to operate these routes separately from its operations and does not include district students on these routes. Charter Oak School District students are picked up and delivered entirely within the Charter Oak School District boundaries; there is no overlap with the Covina Valley USD. These three routes transport a total of 26 students, for an average load count of less than nine students per bus.

The district has routing software that can help develop transportation routing for both its regular education home-to-school and special education students, however, the system is not fully implemented and operational. The district is routing its bus routes manually using Google Maps and MapQuest. The district has used vendor-facilitated webinars in an attempt to train staff in use of the routing software; however, this is not meeting staff members' training needs and additional training and commitment is needed in order to implement and transition to the routing software. It would benefit the district to seek additional assistance from the vendor, including hands-on support at the district, and to commit staff time to the implementation. The district may also be able to contract for shared vendor training with neighboring school districts that have the same routing software.

Home-to-school transportation service for general education students is not mandated under California statute. As a result, individual school districts can determine the extent to which they desire to provide these services or whether to offer this non-mandated service at all. A district's

decision to offer transportation can be influenced by a number of local factors including safety hazards or student attendance goals. It is important to understand that providing such non-mandated services can result in an additional cost to the district to support the non-mandated service.

The district's Board Policy 3541 and Administrative Regulation (AR) 3541a stipulates a non-transportation area (also commonly known as a walking zone) of 1.5 miles from a school for grades K-5, two miles for grades 6-8, and three miles for grades 9-12. This policy provides that students can walk to school from within those zones and that only students outside these zones are eligible for transportation services.

The district's school locations suggest that most of its students are not eligible for transportation under this policy because of the relatively close proximity of schools to one another. However, several bus routes are provided for stated safety reasons, particularly in the Covina Hills area. These routes service the Barranca and Mesa Elementary Schools, Sierra Vista Middle School and South Hills High School. Although the district's transportation policy allows for exceptions based on hazardous conditions, the non-transportation areas identified in policy appear to be widely disregarded. Based on the sampling of routes and the positioning of school bus stops within the non-transportation areas, the district is providing more transportation than its policy requires.

FCMAT found discrepancies and inconsistencies in the number of students identified as needing transportation. The district reported that 79 of its students had an IEP that included transportation service for the 2008-09 school year. This number increased dramatically to 343 students for the 2009-10 school year and fell by one to 342 students for the 2010-11 school year. However, FCMAT could not verify these numbers and found different figures throughout the district's records.

Transportation personnel stated that the reported number of students with an IEP that included transportation came from district special education data; however, no transportation requests were generated or available for review for the 342 students reported. District documentation indicates that there were 558 bus passes sold for the 2011-12 school year, and the district reports 94 transportation requests for special education students and 107 transportation requests for SELPA-transported students. However, FCMAT's review of a route for the a.m. student count on January 24, 2012 revealed that the district had only 241 home-to-school regular education riders and 51 special education riders. Inaccurate student count information can lead a district to provide either more or less transportation than is needed.

When schools start at or near the same time, separate buses are required to pick up and drop off students within a short time because buses cannot drop the students off at school too early or too late. This constrains transportation services and can have a significant effect on student load counts and efficiency. A district can best optimize its bus fleet and labor resources by staggering its master bell schedule sufficiently between schools within regions of the district to ensure that the fewest buses are required to support the greatest number of schools.

All of the district's schools begin and end within thirty minutes of one another, which does not provide sufficient staggering to optimize transportation services. Optimal routing and school schedule alignment is achieved when buses are allowed time to serve more than one school during a shift. Based on FCMAT's experience in similar districts, the district could accomplish this type of optimal service if it created a minimum stagger of 45 minutes between the starting times and ending times of neighboring schools or schools within the same region.

The district could potentially eliminate two bus routes by creating a two-tiered master bell schedule with a minimum of 45 minutes between different schools' start and end times. Although the lack of specific data makes it impossible to assess the actual operational costs for the district, districts typically save approximately \$50,000 to \$60,000 annually for every bus route eliminated. This estimated savings is based on reduced expenditures for labor, health and benefits, as well as a conservative estimate of the district's expenditures for vehicle operational support using an average bus route and driver cost based on five to seven labor hours per day. Using this estimation, the potential annual savings from implementing a two-tiered schedule and eliminating two bus routes would be between \$100,000 and \$120,000.

Recommendations

The district should:

1. Provide thorough training to its IEP teams on identifying transportation as an appropriate related service and in the least restrictive manner.
2. Critically examine the decreases in the number of special education students who require transportation as a related service to better assess and plan for reduced transportation staffing for these students.
3. Implement the routing software, arrange for staff to receive training on the routing software, and commit staff as needed.
4. Consider contracting for routing software training jointly with nearby districts that have the same software system to reduce training expenses.
5. Examine the cost savings that could result from strictly enforcing its board policy regarding non-transportation areas (walking zones).
6. Assess its criteria for walking conditions that constitute a safety hazard and thus make students within a non-transportation area eligible for transportation.
7. Establish a master bell schedule that creates two different starting and ending times at least 45 minutes apart from each other to allow for transportation cost savings.
8. Ensure that special education staff and transportation staff effectively articulate and document transportation as a related service on identified students' IEPs.

Contracting, Field Trips and Fees

Fees

The district began charging a fee for service for its non-mandated home-to-school transportation approximately 13 years ago. Currently, the district charges \$250 for a yearly bus pass and \$125 for a yearly one-way ride pass. The transportation program issued 574 bus passes in the 2009-10 school year, 534 bus passes in the 2010-11 school year and 558 bus passes in the 2011-12 school year. Staff reported that only one third of the students pay for bus service; the remaining two-thirds of students ride free because students who are eligible for free or reduced price lunch are also eligible for free transportation. The percentage of students who ride for free (67%) aligns closely with the percentage of students who qualify for free or reduced price meals (70%). It is not usually financially beneficial to operate a fee-for-service transportation program if a district's free and reduced price lunch program serves more than 40% of students because in such cases the cost of overseeing the transportation program is greater than the potential revenue. For the 2011-12 school year, the district's fee-for-service bus pass system generated \$17,414 in revenue, which was at best slightly more than the cost of oversight and labor for managing the program.

The district will need to critically examine the return on investment it is receiving for its management and oversight of fee-for-service transportation and determine if the program is sufficiently cost effective to continue. Information reviewed by FCMAT suggests the amount of fees generated may provide a small but insignificant net fiscal gain after expenses for collection and verification. It is most important for the district to identify the costs associated with collecting and processing fees and periodically assess the process to ensure that the costs do not exceed the amount collected. If it determines that costs exceed revenue, adjustments will be needed to reduce costs, increase revenues or discontinue collection.

Contracted Field Trips and Athletic Trips

For the 2010-11 school year the district spent \$125,205 on private charter buses and \$243,974 on its own buses, for a total of \$369,179 at the high school level. The district reported that it scheduled 1,238 field trips in the 2011-12 school year, 455 of which were chartered on private transportation. The district charges programs \$57 per hour for field trips; the average charter bus costs \$62 per hour; and outside contractor Durham Transportation charges \$210.39 for a three-hour minimum and \$32.99 for each additional hour. Thus the cost the contractor charges \$243.38 for four hours, which is an average of \$60.84 per hour.

Therefore, the difference in cost among these three services (district-owned, charter and contractor) is insignificant. However, it is not clear how the district arrived at its hourly cost because equipment and driver costs are not tracked separately and it is difficult to calculate an hourly cost for the district or verify this rate. The district has no set policy regarding when to charter a bus and when to use district services. It is likely that the district schedules a charter bus or uses a transportation contractor when its own staff and equipment are not available because of daily routing needs. Thorough tracking of expenses will enable the district to closely determine its hourly cost to provide services. Further, based on this cost to serve, the district should set criteria as to when contracted services should be considered.

Driver Benefit Costs

The district's salary schedule's hourly rate for a driver begins at \$17.89. The district also provides a generous benefit plan to all drivers even though routing assignments or contracts indicate

that most drivers are part-time. District employees pay only a small amount toward this benefit plan. For example, for fiscal years 2011-12 and 2012-13, the monthly benefit premiums cost \$1,256.29 for Kaiser medical coverage for a family, \$21.01 for vision, \$5.67 for life insurance, and \$123.44 for dental, for a total cost of \$1,406.41 per month per employee. The employee contribution for this was \$140 per month in fiscal years 2011-12 and 2012-13, and under the current collective bargaining agreement decreases to \$70 per month for full-time employees in fiscal year 2013-14.

Although, the district's route scheduling indicated that there are routes that take less than four hours per day, the district's drivers are all scheduled for more than four hours daily. School districts usually offer health and welfare benefits based on an employee's assigned contract time and do not count additional, extra, or overtime hours toward an employee's eligibility. The district's collective bargaining agreement language states that employees who work 30 hours or more per week are eligible for health and welfare benefits. However, the district pays health and welfare benefits to all driving staff because it grants eligibility based on total driver time, including contract time and additional work time. This has increased the district's health and welfare benefits costs because employees who would be considered part-time staff in other districts are being provided with benefits equivalent to those of staff who work 30 or more hours per week.

The table below shows the district's current annual cost of benefits for the district's drivers separated by those drivers contracted for more than 30 hours per week and those contracted for less than 30 hours per week.

Current Annual Costs of Benefits for Drivers

Driver	Weekly Contracted Hours	Medical	Vision	Life Ins.	Dental 1	Dental 2	Contract more than 30 hrs. per week	Contract less than 30 hrs. per week
1	40	\$9,788.40	\$171.96	\$68.04		\$1,481.28	\$11,509.68	
2	36.75	\$12,903.12	\$252.12	\$68.04	\$729.96		\$13,953.24	
3	30.25	\$5,500.68	\$91.08	\$68.04		\$1,481.28	\$7,141.08	
4	26.25	\$ -	\$252.12	\$68.04		\$1,481.28		\$1,801.44
5	25	\$4,523.52	\$91.08	\$68.04		\$1,481.28		\$6,163.92
6	22.25	\$4,523.52	\$171.96	\$68.04		\$1,481.28		\$6,244.80
7	27.25	\$15,075.48	\$252.12	\$68.04		\$1,481.28		\$16,876.92
8	25	\$9,788.40	\$171.96	\$68.04	\$729.96			\$10,758.36
9	20.25	\$15,075.48	\$252.12	\$68.04	\$729.96			\$16,125.60
10	20.5	\$15,075.48	\$252.12	\$68.04	\$729.96			\$16,125.60
11	25.25	\$9,788.40	\$252.12	\$68.04		\$1,481.28		\$11,589.84
12	16.5	\$15,075.48	\$252.12	\$68.04		\$1,481.28		\$16,876.92
13	31.5	\$15,075.48	\$252.12	\$68.04		\$1,481.28	\$16,876.92	
14	20	\$ -	\$171.96	\$68.04		\$1,481.28		\$1,721.28
15	21	\$15,075.48	\$252.12	\$68.04		\$1,481.28		\$16,876.92
16	16	\$15,075.48	\$252.12	\$68.04		\$1,481.28		\$16,876.92
17	15.5	\$ -	\$252.12	\$68.04		\$1,481.28		\$1,801.44
18	11.25	\$15,075.48	\$252.12	\$68.04		\$1,481.28		\$16,876.92
Total costs		\$177,419.88	\$3,895.44	\$1,224.72	\$2,919.84	\$20,737.92	\$49,480.92	\$156,716.88
Contractually obligated costs		\$43,267.68	\$767.28	\$272.16	\$729.96	\$4,443.84		

The district currently provides all of its 18 bus drivers with a benefit package; however, only four of these drivers are working a contract time of 30 or more hours per week and are contractually eligible for the full benefit package. Contract time is identified as all daily bus runs that make-up the bus route as well as the time required to inspect and clean their assigned bus before and after the trip daily. Based on district routing and time sheet records, 14 bus drivers are working a contract time of between 11.25 and 27.25 hours per week, for an average of approximately 21 hours per week. Applying the definition of contract time and upholding the bargaining agreement with regard to these positions could save the district approximately \$156,000 annually in health and welfare benefit costs.

In addition, two of the four drivers who work more than 30 contract hours per week are working only 0.25 to 1.5 hours more than the 30-hour-per-week threshold. Assessing routing to identify further efficiencies in the district's bus routes may indicate ways to achieve additional savings in employee hours and benefits.

The cost of using external contractors to provide transportation is reasonable and becomes more competitive when the district's bus drivers' guaranteed contract hours, compensation, and health and welfare expense are taken into account.

Recommendations

The district should:

1. Evaluate the staff cost of collecting and tracking home-to-school transportation fees and consider implementing efficiencies, increasing fees, or abandoning fees for nonmandated home-to-school transportation if there is no net fiscal benefit.
2. Track expenses associated with the district providing field trip and athletic transportation to closely determine the hourly cost to provide services.
3. Set criteria for when the district should provide transportation and when contracted services should be considered.
4. Continue to use charter bus service for some field trips as a practical and cost competitive alternative to employing more drivers to do these trips.
5. Enforce its collective bargaining agreement's health and welfare benefits provisions for all part-time and full-time employees based on each employee's contract time, excluding extra time worked.

Vehicle Maintenance

The district maintains 32 buses and approximately 40 other vehicles such as those used for maintenance, grounds, trades, and food service. According to its fleet inventory, the bus fleet includes 13 transit-style buses, four conventional buses and 15 cutaway style buses. The average age of the bus fleet is 11.43 years. The district has and maintains more spare buses than needed and could consider decommissioning older buses not needed for regular use. The district needs to take into account the costs associated with keeping buses operational and determine which buses may be eligible for replacement through grants.

The district reports full compliance with the California Air Resources Board (CARB) Truck and Bus rules regarding particulate exhaust. The district has received the highest grade given by the California High Patrol (CHP) Motor Carrier for Terminal Inspection, with a rating of satisfactory, and has a consistent track record of satisfactory ratings from the CHP.

The district does not use a software system to track vehicle maintenance. All 45-day/3,000 mile school bus safety inspections required by Title 13 of the California Code of Regulations are calculated manually using a wall calendar and are scheduled by calendar date, not mileage. This practice can be problematic if a bus is driven more than 3,000 miles in 45 days because it would require inspection before the calendar date identified. Because of the district's relatively small geographic footprint, most buses do not travel more than 3,000 miles in 45 days. However, FCMAT's review of a sampling of vehicle maintenance records revealed that Route A, which provides transportation to the Foundation for the Junior Blind, a special education program in the Los Angeles area, exceeded 3,000 miles in 45 days. The district will need to implement a system that can track both the date and mileage intervals between safety inspections.

The district also lacks a well-documented preventive maintenance program. Although the CHP Motor Carrier does not state in Title 13 what such a program would look like, the law requires that a preventive maintenance program be clearly identified and adhered to.

The district's records show no consistent correlation of driver repair requests with a repair order that identifies the work performed, parts used and labor time. As a result, the district cannot accurately identify historical or year-to-date operating cost per vehicle in order to charge costs to the proper accounting resource. Therefore, it is impossible to determine exact maintenance costs for each vehicle or calculate the true operational costs of regular home-to-school or special education transportation.

The district generates open purchase orders for parts for buses and other support vehicles but does not consistently track parts used by specific vehicle. A vehicle maintenance software system would help the district precisely track these and other costs by individual vehicle. Specific inspection schedules that identify mandated 45-day/3,000 mile bus safety checks and vehicle preventive maintenance schedules would help ensure proper maintenance of the district's fleet and full compliance with Title 13 requirements for school bus maintenance. Tracking of vehicle operational and maintenance expenses would also allow the district to determine exactly how much specific vehicles cost to operate, help develop criteria for bus and vehicle replacement, and provide total program costs by resource.

Maintenance shop inventory is stored securely and well organized. However, there was no evidence of an inventory of items on hand. In addition there was an inconsistency between parts used and those identified by work orders.

The District is in compliance with all Environmental Protection Agency (EPA) and county storm-water management requirements and best practices. The district has a storm-water plan, and its vehicle maintenance, bus washing and vehicle fluid areas meet industrial waste runoff management requirements. All lubricants, fluids and batteries are stored in secondary containment areas or under cover for protection.

Recommendations

The district should:

1. Review its school bus fleet and identify excess vehicles for surplus sale and any that are eligible for replacement grants.
2. Examine and select an electronic vehicle maintenance software system to help manage and track vehicle fleet data, costs and inventory.
3. Create a well-documented maintenance schedule for its vehicles that specifically identifies the 45-day/3,000 mile school bus safety check and preventive maintenance schedules based on both mileage and time intervals.
4. Create a work order tracking system that identifies the specific account and the specific vehicle to which parts, labor and fuel are expensed.

Driver Training

The district's vehicle maintenance/transportation supervisor is a state-certified school bus driver instructor. The district is fortunate to be located in a metropolitan area with a pool of trained drivers from which to recruit. Historically, the district has been able to recruit drivers who have already completed the classroom and behind-the-wheel portions of the training to operate a school bus, so there has been no need to train and support prospective drivers through those sections. The vehicle maintenance/transportation supervisor performs all required renewal and training for the district's drivers.

FCMAT reviewed a sampling of the district's school bus driver records and found them in proper order with all documentation and records as required by Education Code (section 40080 and following).

The vehicle maintenance/transportation supervisor also designs and schedules monthly training programs for the drivers to ensure that they accumulate their required 10 hours of training annually for renewal certification, and facilitates renewal classes for driver recertification as needed.

The supervisor schedules all school bus evacuation drills for each of the district's schools as required by Education Code (EC) section 39831.5. FCMAT verified that the district's transportation safety plan is pertinent to all required topics and had been recently updated (EC 39831.3)

Staffing

The district has adequate staffing to support and provide administrative oversight of its transportation program's operations. Most transportation programs with less than 25 routes do not have a dedicated transportation administrator such as a director or manager level position. It is common for transportation programs of the district's size to either merge transportation with maintenance and operations or place the transportation program directly under the business services administrator. The district has placed its transportation program under the administrative oversight of its director of business operations, who also manages the district's custodial and facilities use support services and staff.

The district has a vehicle maintenance/transportation supervisor position that is dedicated to transportation program supervision and assisted by two clerical support positions: one secretary II and one account clerk I, both of which also support the director of business operations. The supervisor is responsible for daily operations, creates the bus routes, performs two-way radio dispatch functions, and generates staff performance reviews. In addition, the supervisor addresses all required safety and training instruction for transportation staff. The district had recruited and hired a dedicated dispatcher/driver instructor; however, this individual was no longer with the district at the time of the FCMAT's fieldwork, and the district has no plan to hire a replacement.

The district previously had both a dedicated dispatcher and a clerk I position to assist in transportation. Based on an assessment of the district's reduced transportation support and potential for continued reductions in the future, FCMAT believes that the dispatcher position and clerk I position should not be replaced.

The secretary II is primarily responsible for managing telephone communication with parents during the working shift, processing and verifying staff time sheets for payroll, and helping process bus passes. The position is also identified to assist with implementation of the district's routing software.

The account clerk I position is split equally between support for transportation and support for the other duties of the director of business operations. The transportation department has an account clerk III position whose main responsibility is to track and verify invoices from the district's transportation contractors and transportation accounts for district schools. The position also helps process bus passes and provides translation for Spanish-speaking parents.

The district's transportation staffing is minimal but sufficient for the number of drivers and routes. However, in order to provide support, it would benefit the district to consider creating an as-needed bus driver instructor position. Because the district does not require a full-time instructor, a part-time position could be routinely assigned to a school bus route, help provide bus driver instruction, and assist the supervisor as needed.

The district has a high staffing ratio in its vehicle maintenance shop. Four shop personnel, three vehicle mechanics and one assistant, support approximately 72 vehicles and other equipment items, resulting in approximately 18 vehicles per mechanic. Most districts FCMAT has reviewed have approximately 25 vehicles for each shop employee. The district should be able to fully support its vehicle equipment fleet with fewer staff, particularly if its fleet is reduced in keeping with previous recommendations in this report.

Recommendations

The district should:

1. Consider reducing vehicle maintenance staffing by one mechanic position.
2. Not recruit and fill its vacant full-time driver instructor position.
3. Consider creating a part-time position that combines driver and driver instructor duties.
4. Leave its dispatcher position vacant.
5. Leave its clerk I position vacant.

Appendix

Study Agreement

FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

CSIS California School Information Services

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM STUDY AGREEMENT May 8, 2012

The FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM (FCMAT), hereinafter referred to as the Team, and the Covina-Valley Unified School District, hereinafter referred to as the District, mutually agree as follows:

1. BASIS OF AGREEMENT

The Team provides a variety of services to school districts and county offices of education upon request. The District has requested that the Team provide for the assignment of professionals to study specific aspects of the Covina-Valley Unified School District operations. These professionals may include staff of the Team, County Offices of Education, the California State Department of Education, school districts, or private contractors. All work shall be performed in accordance with the terms and conditions of this Agreement.

In keeping with the provisions of AB1200, the County Superintendent will be notified of this agreement between the District and FCMAT and will receive a copy of the final report. The final report will be published on the FCMAT website.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

The scope and objectives of this study are to:

The Covina-Valley Unified School District, consisting of grades K-12 is requesting that the FCMAT Team conduct a review of the Regular Home to School Transportation Services. The District currently contracts with an external service provider for student transportation for home to school and special education services. The district is requesting the FCMAT Team to develop a proposed operating budget to determine the cost effectiveness of the district providing their own transportation services. The following scope of work is provided:

- 1) **Conduct a review of the transportation costs utilizing two years of Audited Financial Statements and the 2011-12 fiscal year budget for costs to provide a fiscal analysis of the revenue and expenditure trends impacting the transportation department. The objective is to make recommendations to enhance revenues and reduce expenditures and make recommendations to reduce the encroachment to the unrestricted general fund.**
 - a) **Provide budget Assumptions for 2011-12 and 2012-13 fiscal years**
 - b) **Review the operating revenues and expenditures as a percent of the total budget**
 - c) **Review revenue line items**
 - d) **Evaluate operating expenditures**
 - e) **Review expenditure line item explanations**
 - f) **Sources and Uses of Funds**
 - g) **Debt Obligations if leases are proposed for the purchase of buses**
 - h) **Operating Improvements**
 - i) **Capital Improvements**
 - j) **Capital Contingency Fund**
 - k) **Capital Asset Distribution**
 - l) **Interagency transfer of funds**

- 2) **Provide recommendations for appropriate staffing levels and the organizational structure for the proposed transportation department using comparative school districts. Comparisons should be made to six school district departmental operations of similar size and structure regarding productivity and efficiency models and shall include the following components:**
 - a) **Personnel Summary by District position**
 - b) **Review Job Descriptions**
 - c) **Review customer service records or logs**
 - d) **Review support training by position**

- 3) **Review specifically the operations of transportation services which shall include the following: Operations, Routing, and Scheduling and make recommendations to develop the department's operational requirements for Home to School and special education transportation.**
 - a) **Review and provide Student Demographic Data**
 - b) **Review records from the district's service provider and develop the Average Weekly Ridership by Site, Resource & District and forecast summary**

- c) Evaluate routing methodologies including the use of automated routing software
- d) Review the number of routes including board policies regarding walking distances
- e) Review the bell schedules and school start times
- f) Evaluate vehicle maintenance and inspection report requirements
- g) Propose bus loading and student counts
- h) Review the School Bus Inventory, if any, School Bus Procurement Schedule and Equipment availability
- i) Review equipment and driver requirements for field trips
- j) Provide customer service or complaint logs
- k) Review the IEP process for student transportation
- l) Review board policies, administrative regulations and past practices regarding open enrollment policies for busing students, if any.

B. Services and Products to be Provided

Orientation Meeting - The Team will conduct an orientation session at the District to brief District management and supervisory personnel on the procedures of the Team and on the purpose and schedule of the study.

On-site Review - The Team will conduct an on-site review at the District office and at school sites if necessary.

1. **Exit Report -** The Team will hold an exit meeting at the conclusion of the on-site review to inform the District of significant findings and recommendations to that point.
2. **Exit Letter -** The Team will issue an exit letter approximately 10 days after the exit meeting detailing significant findings and recommendations to date and memorializing the topics discussed in the exit meeting.
3. **Draft Reports -** Electronic copies of a preliminary draft report will be delivered to the District administration for review and comment.
4. **Final Report -** Electronic copies of the final study report will be delivered to the District administration following completion of the review. Written copies are available by contacting the FCMAF office.

5. **Follow-Up Support** – Six months after the completion of the study, FCMAT will return to the District, if requested, to confirm the District's progress in implementing the recommendations included in the report, at no cost. Status of the recommendations will be documented to the District in a FCMAT Management Letter.

3. **PROJECT PERSONNEL**

The study team will be supervised by Anthony L. Bridges, CFE, Deputy Executive Officer, Fiscal Crisis and Management Assistance Team, Kern County Superintendent of Schools Office. The study team may also include:

- | | |
|-------------------------|---|
| <i>A. John Von Flue</i> | <i>FCMAT Fiscal Intervention Specialist</i> |
| <i>B. Tim Purvis</i> | <i>FCMAT Consultant</i> |
| <i>C. Mike Rea</i> | <i>FCMAT Consultant</i> |
| <i>D. Jim Foley</i> | <i>FCMAT Consultant</i> |

Other equally qualified consultants will be substituted in the event one of the above noted individuals is unable to participate in the study.

4. **PROJECT COSTS**

The cost for studies requested pursuant to E.C. 42127.8(d)(1) shall be:

- A. \$500.00 per day for each Team Member while on site, conducting fieldwork at other locations, preparing and presenting reports, or participating in meetings.
- B. All out-of-pocket expenses, including travel, meals, lodging, etc. The District will be invoiced at actual costs, with 50% of the estimated cost due following the completion of the on-site review and the remaining amount due upon acceptance of the final report by the District.

Based on the elements noted in section 2 A, the total cost of the study is estimated at \$14,000.

- C. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT services are payable to Kern County Superintendent of Schools - Administrative Agent.

5. **RESPONSIBILITIES OF THE DISTRICT**

- A. The District will provide office and conference room space while on-site reviews are in progress.
- B. The District will provide the following (if requested):
1. A map of the local area
 2. Existing policies, regulations and prior reports addressing the study request
 3. Current or proposed organizational charts
 4. Current and two (2) prior years' audit reports
 5. Any documents requested on a supplemental listing
 6. Any documents requested on the supplemental listing should be provided to FCMAF in electronic format when possible.
 7. Documents that are only available in hard copy should be scanned by the district and sent to FCMAF in an electronic format.
 8. All documents should be provided in advance of field work and any delay in the receipt of the requested documentation may affect the start date of the project.
- C. The District Administration will review a preliminary draft copy of the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the Team prior to completion of the final report.

Pursuant to EC 45125.1(c), representatives of FCMAF will have limited contact with pupils. The District shall take appropriate steps to comply with EC 45125.1(c).

6. **PROJECT SCHEDULE**

The following schedule outlines the planned completion dates for key study milestones:

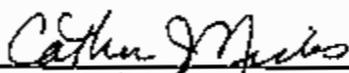
<i>Orientation:</i>	<i>May/June, 2012</i>
<i>Staff Interviews:</i>	<i>to be determined</i>
<i>Exit Interviews:</i>	<i>to be determined</i>
<i>Preliminary Report Submitted:</i>	<i>to be determined</i>
<i>Final Report Submitted:</i>	<i>to be determined</i>
<i>Board Presentation:</i>	<i>to be determined</i>
<i>Follow-Up Support:</i>	<i>if requested</i>

7. **CONTACT PERSON**

Name of contact person: David Rivera, Chief Business Official

Telephone: (626) 974-7610 FAX: (626) 974-7039

E-Mail: drivera@cvusd.k12.ca.us


Catherine Nichols, Superintendent
Covina-Valley Unified School District
Date 5/9/12


Anthony L. Bridges, CFE
Deputy Executive Officer
Fiscal Crisis and Management Assistance Team
Date May 8, 2012