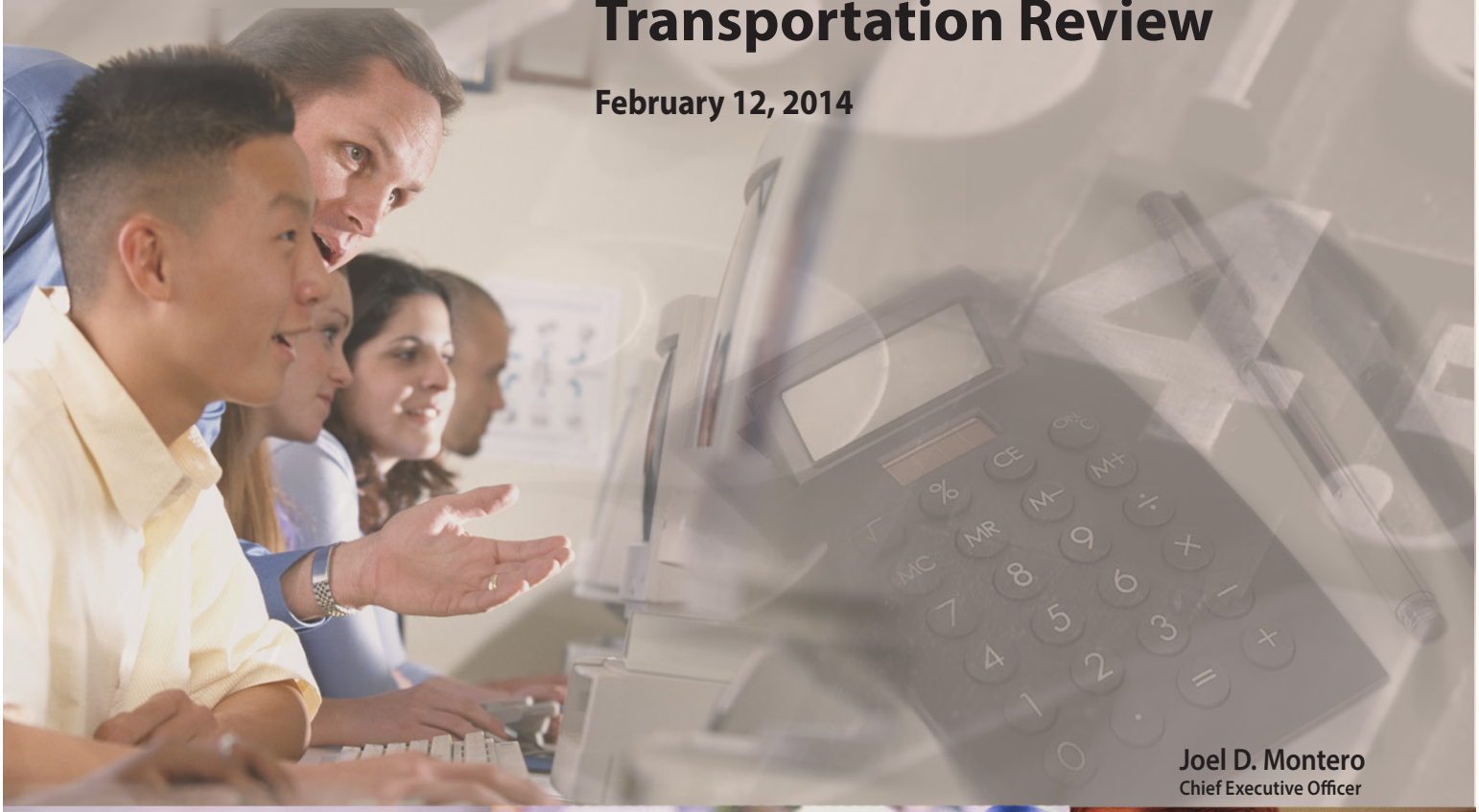
FCMAT
FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
CSIS California School Information Services

# Shasta Union High School District

## Transportation Review

**February 12, 2014**



**Joel D. Montero**
Chief Executive Officer

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FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
CSIS California School Information Services

February 12, 2014

Jim Cloney, Superintendent
Shasta Union High School District
2200 Eureka Way Suite B
Redding , CA 96001

Dear Superintendent Cloney:

In May 2013, the Shasta Union High School District entered into a study agreement with the Fiscal Crisis and Management Assistance Team (FCMAT) for a study to perform the following:

> As financial support for California school bus transportation continues to erode, Shasta Union High School District, Redding Elementary School District, Enterprise Elementary School District and the Shasta County Office of Education wish to have an impartial assessment of their regular and special education home-to-school transportation programs. Research the potential of combining transportation services and operations to improve efficiency and reduce contributions from the general fund, with specific recommendations towards this goal.

This report contains the study team's findings and recommendations.

We appreciate the opportunity to serve you and extend our thanks to all the staff of the Shasta Union High School District for their cooperation and assistance during fieldwork.

Sincerely,

Joel D. Montero
Chief Executive Officer

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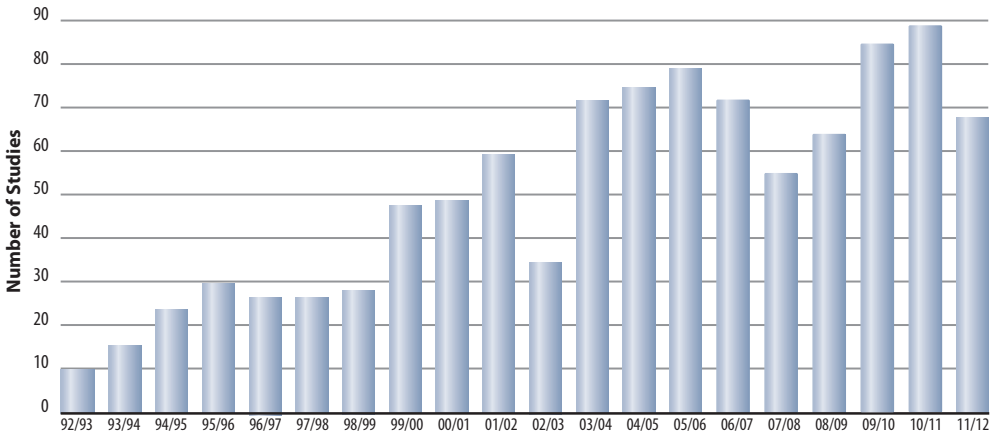
# About FCMAT

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 Shasta Union High School District, Redding Elementary School District, and Enterprise Elementary School District are located in Shasta County and supported by the Shasta County Office of Education.

Shasta Union has 16 feeder elementary school districts and is more than 1,863 square miles in size. The Redding and Enterprise elementary school districts, which are in the city of Redding, serve students in kindergarten through the eighth grade and feed students into Shasta Union. Shasta Union is much larger than the Redding and Enterprise school districts and encompasses all of Redding as well as numerous communities in the northern part of the county. The three school districts collectively encompass the entire city and comprise approximately 1,900 square miles.

On May 1, 2013, the three districts and county office contracted with the Fiscal Crisis and Management Assistance Team (FCMAT) to evaluate their individual transportation delivery systems as well as the collaborative transportation arrangement with the county office.

The scope and objectives of this study are as follows:

> As financial support for California school bus transportation continues to erode, Shasta Union High School District, Redding Elementary School District, Enterprise Elementary School District and the Shasta County Office of Education wish to have an impartial assessment of their regular and special education home-to-school transportation programs. Research the potential of combining transportation services and operations to improve efficiency and reduce contributions from the general fund, with specific recommendations towards this goal.

## Study Team

The team was composed of the following members:

John Von Flue
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Leonel Martínez
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Bakersfield, CA

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Poway Unified School District
Poway, California

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

The FCMAT study team visited the district on July 22, 23, 24 and 25, 2013 to conduct interviews, collect data, and review documentation. This report is a result of these activities and is divided into the following sections:

I. Executive Summary

II. District and County Office Services

III. County Office Transportation Costs and Charge-Back Formula

IV. California School Transportation Funding

V. Collaborative and Formal Partnerships

VI. Joint Powers Agreement

VII. Special Education Transportation

# Executive Summary

The Shasta Union High School District, Redding Elementary School District, Enterprise Elementary School District, and Shasta County Office of Education requested an assessment of their transportation operations as well as the special education transportation provided by the county office. Redding Elementary contracts its transportation services to the county office, which staffs and administers the transportation program, but uses district buses. The district establishes the level of transportation service including rider eligibility, identified home-to-school bus stops, and school bell schedules, leaving the county office to adapt to these parameters. The district should review the impact of its decisions on transportation costs, including rider eligibility criteria, bus stops, and bell schedules.

Enterprise Elementary owns and operates its own bus fleet. The district does not have a suitable transportation facility to secure its buses, provide for vehicle maintenance, and have space for a transportation office. The district also does not charge sufficiently for internal school field trip transportation expenses. It should review external vehicle maintenance contract operations and consider utilizing the Shasta Union High School District, county office, or another neighboring district to provide service.

Shasta Union is the largest of three high school districts in the county, and the elementary districts in this study feed into it. The district should improve communications between the Transportation and Special Education departments to better coordinate special education transportation, including establishing a documented decision tree and transportation request form and process to identify individualized education program (IEP) transportation needs. Bus drivers should receive more training in meeting the needs of special education students. The district transportation facility adequately houses the fleet with room for slight expansion, but needs additional securing, including fencing.

The three districts could collectively benefit by creating a cooperative arrangement for home-to-school transportation led by one district. Shasta Union could most easily take the lead since it covers the geographical boundary area of all three. Assessing expenses for home-to-school transportation, and projecting program costs with a single lead agency could result in substantial financial benefits even without coordinating master bell schedules. Additional savings may be realized through further cooperation and coordination. The districts should review the potential of establishing a cooperative arrangement.

The county office operates a comprehensive program of special education transportation for most of the county's school districts. In addition, it has specific contracts for home-to-school programs for the Anderson Union High and the Redding Elementary school districts. Approximately 141 of the 189 total special education students transported by the county office belong to the three school districts involved in this study. There is no formal contract for this arrangement. Districts are concerned about their increasing special education excess charge-back partially because they do not understand how costs are distributed to participating districts. A contract should be developed between provider and participants that specifically identifies the service arrangement and clarifies the cost distribution method. Regular meetings of all participant districts and the county office should be held to provide updates and address concerns. The county office performs vehicle maintenance at a competitive rate of $55 per hour, the lowest of the programs reviewed in this report and far less than the private competitor vehicle maintenance rates in the area. The county office's vehicle maintenance rate is passed through to all program users as a benefit to all program participants. Creating a core vehicle maintenance rate based on fleet usage and maintenance for

the home-to-school special education program could result in a lower rate for the core districts. If the county office created an internal core vehicle maintenance program charge-back at actual expense, the "other" or noncore districts may pay a slightly higher rate per hour; however, the rate would still remain more competitive than private sector vendors and possibly other district programs in the county. The county office should determine the savings that could be generated for its home-to-school special education core district program, and develop an external noncore vehicle maintenance hourly rate.

The Shasta County districts should consider contracting all special education transportation with the county office. Because the county is remote and rural and has a number of small school districts, a single transportation system can provide greater efficiencies.

# Findings and Recommendations

## District and County Office Services

Approximately one-half of the students in Shasta County attend the Shasta Union High School District, Redding Elementary School District, or Enterprise Elementary School District. Approximately 75% (144 of 189) of the special education students transported by the county office attend one of those three school districts. All the districts in Shasta County belong to a single special education local plan area (SELPA), which is administered through the county office.

### Redding Elementary School District (RESD)

The Redding Elementary School District serves approximately 3,100 K-8 students and encompasses about 27.19 square miles. The district has seven elementary schools, one middle school, one community day school and two charter schools.

Redding Elementary School has fully contracted its home-to-school transportation program for more then 40 years and contracts with the county office; however, the district owns and insures a fleet of 14 buses. About eight years ago, the district entered into a bus lease-purchase agreement with a distributor for 12 buses, and financing was arranged through Bank of America. It is in the eighth year of the 9-year agreement. Eleven buses were purchased new in 2004, and a twelfth was purchased in May 2005, shortly after the initial agreement because one bus was damaged. Each of the 12 holds 84 passengers. Eleven are financed at the rate of 4.68% and the twelfth at 5.18%. The district's remaining two buses are a 20-passenger unit and 25-passenger special education bus with a wheelchair ramp. Replacing the buses was prudent because the district had an aging fleet with several units that needed to be immediately replaced, and financing rates were competitive. The Redding Elementary's bus fleet has an average age of nine years, making it the newest of the agencies studied in this review. A bus replacement program could be designed and implemented to reduce the large fiscal impact of replacing several simultaneously.

The district has contracted with the county office for home-to-school transportation services for more than 40 years, according to staff. The contract does not specify the formula for calculating the charge for these services, indicating only that the district will pay county office the "actual cost to provide the service." This statement is vague and therefore open to misinterpretation. The contract should include a set of cost assumptions and estimates to assist the district with budgeting and service expectations. However, an analysis of county office data found that the county office does not charge more than its expense. The county office operational cost data for the district's charges was validated through an internal review of the documentation provided for all operational costs. Redding Elementary should develop a contract with the county office that is more specific and understandable concerning the charge-back formula and how it is determined.

In February 2012, Redding Elementary and the county office discussed a plan to decrease the district's transportation expenses by an estimated $40,000 by reducing the number of middle school bus stops. The plan originally estimated that the county office could decrease the number of routes per day from 11.5 to 6.5, but it was not popular with parents or convenient for students. As a result, the entities redesigned the plan for the 2012-13 school year, reestablishing some of the routes. This resulted in the county office adding 2.25 hours daily, and district bus routes increasing to 8.75 hours per day. As the school year started, Redding Elementary requested

that the county office further increase its service level by reestablishing some bus stops; therefore, the county office added a route, increasing district service hours to 10.5 per day. In July 2012, the district moved more special education students to regular education bus routes and added two routes dedicated for these pupils.

Another issue that makes it difficult for the county office to control the district's transportation expense is that Redding Elementary does not consistently apply its transportation eligibility criteria. District Administrative Regulation (AR) 3541 states that district students are not eligible for transportation if they are in grades K-5 and live within one mile of school. Further, the policy indicates that all grade 6-8 school bus stops will be located so that students do not walk farther than the governing board deems appropriate. The wording also allows the district to alter service level for middle school students without amending board policy. Most school districts have board policy and administrative regulations with more specific criteria, reducing inconsistency. The district should review its transportation eligibility criteria and develop a firm, clear, objective, and specific eligibility policy.

According to county office staff, the district's anticipated transportation savings was minimally affected by a slight increase in fuel expense. The primary reason the district did not achieve the anticipated service cost decrease was that it added transportation service to the regular education transportation program. For the current year, it is undetermined whether the district will benefit from any cost reduction, and expenses may even increase.

The district indicated that the county office provides a high level of service, and the district is satisfied overall. However, there are concerns about increasing transportation cost and the anticipated increased expense for special education transportation. The county office provides an estimated expense for home-to-school transportation, and the district is invoiced in monthly payments for December through May. After reconciliation at the end of the fiscal year, the county office applies a credit back to the district or invoices the difference. According to the county office, the district received a $19,725 credit for 2011-12. For the 2012-13 school year, the county office operated nine school bus routes for the district, and it anticipated operating 10 home-to-school and special education bus routes for the 2013-14 school year because of increased service requirements that resulted from the district shortening the time between its school bell schedules.

The district also uses a private company, ABC Cab, to transport its homeless students according to the McKinney-Vento Homeless Assistance Act 11431. The costs and number of students vary considerably. However, according to the invoices reviewed, this service costs the district an average of $30 per student per day or approximately $5,400 per student annually. This amount exceeds the home-to-school transportation expense and is more than the county office excess cost of $3,300 per student for the 2011-12 school year. The district should explore alternative options for transporting homeless students through a competitive bid for local cab or shuttle vendors and enter into a contract for more competitive rates. Additionally, the district could explore a cooperative contract with surrounding school districts such as the high school district or the county office for these services.

According to county office invoices, it scheduled and provided approximately 198 field trips for the district in the 2012-13 school year at a total cost of $19,765.65, which equates to an approximate average of $99 per field trip. This is a competitive rate that is often considerably higher for outside providers. Many organizations reviewed by FCMAT find that an outside pupil transportation provider will assess a minimum of two, four, and six or more hours with a standard rate that is two to three times higher. Some providers also assess a mileage fee.

According to the county office average daily ridership census from May 2013, it transports approximately 601 students in the morning and 706 in the afternoon. This data conflicts with the data in the 2011-12 Form TRAN (TRAN report) indicating that 829 students are transported. Ridership could have significantly declined, but this inconsistency likely indicates inaccurate reporting on the TRAN report.

The county office appears to effectively design district bus routes. In 2012-13, two routes performed three morning bus runs each, and four routes performed two afternoon runs each for home-to-school general education transportation. For special education transportation, the county office operated two routes. There was some separation in bell times to allow for greater efficiency. The separation will be narrower in the 2013-14 school year, when the district adopts another bell schedule that will cause the county office to add an additional bus route and increase costs accordingly.

The district's administration and board are open to validation of the county office transportation cost structure or any other collaborative arrangement that maintains student transportation service levels and provides savings. The district owns property that may be zoned and improved for a bus facility if it were needed in another collaborative transportation effort and has developed preliminary plans for this. Additionally, the district has explored considering a public transit bus facility cooperative venture.

**Bus Lease Contracts**

Redding Elementary has two bus lease contracts, one for a transit-style bus that is leased to the Chrysalis Charter School Program, and the other for a special education bus leased from the French Gulch-Whiskeytown School District. The contracts are similar in form, content, and term, June 2011 through June 2014. Both contracts include insurance coverage language specific to the Northern California Schools Insurance Group (NCSIG), and the renting agent provides its own certified driver. However, the contracts appear in language and content to align with those found in California school transportation.

The special education unit leased by the Redding Elementary from the French Gulch-Whiskeytown School District is a 2009 GMC/Collins special education school bus. The lease identifies a monthly cost of $200 per month for 10 months of the year. The contract states that the district as responsible for all general preventative maintenance and minor repairs at or less than $2,000 each and for the first $2,000 of all other repairs. The district is also responsible for maintaining insurance coverage. The contract contains language allowing the Redding Elementary to renew the agreement at the end of each term; however, either it or the French Gulch-Whiskeytown School Districts may terminate the contract with a 180-day notice in the event of a program closure or substantial loss of state funding. The contract does not specify whether it is permissible for the district to retrofit the rental unit with any type of auxiliary equipment such as global positioning systems (GPS), video surveillance camera, 2-way wireless communications/radios or other equipment.

Renting the special education bus from the French Gulch-Whiskeytown School District appears to be cost-effective for Redding Elementary since it does so at rates that are below those observed throughout the state. A dealer would typically charge more per month and require a 12-month lease. In future contracts, the district should specify for clarity who is responsible for fuel and other operational costs; also language should be added to provide permission to retrofit with the necessary auxiliary equipment most often used by school districts for safety and efficiency. The contract requires Redding Elementary to return the bus in the same condition as acquired with consideration for reasonable wear.

The transit style large unit leased from the Chrysalis Charter School Program is a 2004 Blue Bird Transit Bus. The lease identifies a cost of $600 per month for 10 months a year. Like the Redding Elementary/French Gulch-Whiskeytown contract, the Chrysalis Charter School Program is responsible for all general preventative maintenance and minor repairs at or less than $2,000 each and the first $2,000 of all major repairs. The charter school is responsible for maintaining insurance coverage for the duration of the contract. The contact allows the charter school to renew the contact at the end of each term, and the contract allows the district and the charter school program to terminate the contract with a 180-day notice in the event of a program closure or substantial loss of state funding. Also similar to the contract with the French Gulch-Whiskeytown School District, the contract does not stipulate which district is responsible for fuel expense or whether it is permissible to retrofit the rental unit with any type of auxiliary equipment.

Rental of the one transit-style large passenger bus is not necessarily a strong financial income source for Redding Elementary, but cost-effective for the charter school. Similarly to Redding Elementary's rental from the French Gulch Whiskeytown School District, the Chrysalis Charter School Program is permitted to utilize the district's bus for only a fraction of what a dealer or many other district programs would charge, and the contract stipulates that rental expense is only for 10 of 12 months. Most contracts do not permit this without returning the rental unit to its owner. In future contracts, the district should specify for clarity who is responsible for fuel and include permission to retrofit with the necessary auxiliary equipment most often used by school districts. The contract requires the Chrysalis Charter School Program to return the bus in the same condition as acquired. It is difficult for any lease agreement to specifically identify and value the reasonable wear and tear of a leased bus since this evaluation may be subjective and vary with operating conditions.

## Recommendations

*The district should:*

1. Establish a school bus replacement schedule indicating the replacement of one unit annually.
2. Develop a county office regular education home-to-school transportation contract that is more specific and clear about the charge-back formula and how it is determined.
3. Review the student transportation eligibility criteria and develop a firm and specific policy with eligibility criteria that is not subject to interpretation.
4. Explore alternative options for transporting homeless students.
5. Generate a contract for the ABC Cab company.
6. Accurately count ridership, and report it correctly on the TRAN report.
7. Develop a contract that specifies that the bus lessee is responsible for all operational expenses.
8. Develop a contract that includes language allowing or disallowing lessees to add auxiliary equipment at their expense. The district should also remove all such equipment when returning the bus to the district in its original state.

9. Review the comparable monthly rental rates charged by bus dealers and other local education authorities renting larger transit style buses to ensure they charge and pay fair and appropriate industry lease rates.

## Enterprise Elementary School District (EESD)

The Enterprise Elementary School District is a K-8 district that encompasses approximately 9.08 square miles and serves about 3,300 students. The district is composed of six elementary schools and one community day school.

Enterprise Elementary owns and operates a 9-bus fleet providing transportation for eligible home-to-school students. Two buses are special education units with wheelchair capability. The average bus age is 15.2 years, according to district documentation. Although the district fleet is small, it is important to establish a replacement schedule to help avoid the need for last-minute replacement when a major maintenance problem occurs or a vehicle breaks down. The district should develop this type of schedule, indicating one bus replacement every two years.

The district employs six bus drivers operating six routes (five for home-to-school service and one for special education students) and recently employed a new transportation supervisor who is also a state-certified school bus instructor. Through negotiations, all bus drivers who worked eight hours per day were reduced to 5.75 hours. These new hours coincide with their total bus route times, more accurately reflect the assigned work, and result in a savings to the district.

The district has a transportation no-service zone of three-quarters of a mile for students in grades K-3, one mile for grades 4-6, and 1.5 miles for grades 7-8 (Board Policy 5090). This eligibility criteria aligns with what FCMAT finds in most district board and administrative regulations for pupil transportation. For the 2012-13 school year, the district transported 607 home-to-school students and approximately 22 special education students. The county office transports another 28 special education students. The district's bus parking facility, which is next to a fire station, is an open area that is not securable and is vulnerable to vandalism. The facility is shared with the district's food services warehouse and is not conducive to being used as an office or for staff meetings. The department needs a secured space for the bus fleet that can also be used for an office.

The district outsources its bus maintenance services and does not manage fuel storage on-site. It uses CFN card-lock facilities for fuel and A&N Diesel for most vehicle maintenance and road call services. All major vehicle repairs and safety inspections are contracted at a labor rate of $85 per hour plus parts cost and mark up. Although the vendor labor rate is within industry standards for labor and parts according to what FCMAT has most recently found in other studies, the rates are lower at the county office and the Shasta Union High School District. The district could negotiate a more competitive vehicle maintenance contract through the current vendor, the county office, Shasta Union or another local service provider. The transportation supervisor can address minor issues such as replacing lights.

The district scheduled and performed approximately 167 field trips during the 2012-13 school year. The rate charged for the 2011-12 school year was $1.98 per mile and $22.82 per hour. This rate does not include a minimum charge-back that is sufficient to cover the actual transportation expenses. The district should review field trip costs and charge back at rates that are sufficient to capture actual transportation expenses.

The district also uses a private cab company, ABC Cab, to transport homeless students according to the McKinney-Vento Homeless Assistance Act 11431. The fees charged per pupil by this vendor far exceed the county office excess charge-back to the district. The district may be able to

transport some or all homeless students on district or county office buses at a savings. The district should explore a cooperative contract with surrounding school districts such as Shasta Union or the county office for these services and use a competitive bid with local cab or shuttle vendors as an additional alternative.

The district is concerned with the increasing cost of transportation and the anticipated rise in excess cost of having special education students transported by the county office. It should develop a contract with the county office that is more specific and understandable regarding the charge-back formula and how it is determined.

## Recommendations

*The district should:*

1. Establish a school bus replacement schedule indicating the replacement of two units every five years.
2. Locate secured facility space for its bus fleet and office needs.
3. Review the benefits of contracting for vehicle maintenance needs through the high school district, the county office, or a neighboring district with vehicle maintenance capability.
4. Review the field trip rate to ensure it captures actual transportation costs.
5. Explore alternatives for transporting homeless students through a competitive bid for local cab or shuttle vendors. Additionally, the district could explore a cooperative contract with surrounding school districts such as Shasta Union or the county office for these services.
6. Develop a contract for the ABC Cab company.
7. Develop a special education transportation contract with the county office that is more specific and clear regarding the charge-back formula and how it is determined.

## Shasta Union High School District

The Shasta Union High School District is one of four districts serving high school students in Shasta County. It is the largest of these, encompassing approximately 1,863 square miles and serving about 4,532 students from 16 K-8 elementary feeder districts.

The district is composed of three comprehensive high schools: Shasta, Foothill, and Enterprise.

The district transportation program's vehicle maintenance garage and offices are located in an unsecured area at the district office and Shasta High School complex next to special education and alternative education classroom facilities. The district owns and supports 24 school buses and maintains approximately 11 additional buses for other districts in the county. The district should secure its transportation facility with fencing to prevent theft and damage as well as to secure its equipment.

The district operates 14 daily bus routes transporting approximately 800 home-to-school students. In recent years, Shasta Union took back most of its special education programs from the county office. The number of special education students who ride home-to-school buses on individualized education programs (IEPs) is unclear because the district does not have a practice

of identifying these pupils. On county office SELPA documentation, the district appears not to transport any of these students. A special education student riding on a home-to-school bus route is occasionally identified, but only when a disciplinary issues arises. Several staff interviews indicated the district's special education and transportation program staff need to communicate more effectively to identify special education students riding district home-to-school bus routes. The district should institute clear procedures for identifying and placing special education students on district home-to-school routes.

District staff stated that the IEP process is conducted by school psychologists who have received direction on transportation as a necessary related service in the least restrictive manner. However, FCMAT found that the district has no documented process for identifying students who qualify to receive these services. As a result, they may be inconsistently identified. The district also lacks a documented transportation request form to identify special education students requiring transportation. The district should implement the use of a form called a "decision tree" and transportation request form identifying special education students who require transportation, including specific handicapping conditions and medical history and a protocol for pertinent issues such as seizures and others to safely transport these pupils. All district psychologists should be trained to identify students requiring transportation. High school district bus drivers should receive specialized and specific training in transporting special education students. Most of the district's identified population of special education students requiring transportation rides county office buses. Although the district owns one special education bus with wheelchair capability, it does not operate a dedicated special education bus route.

The district's special education director occasionally authorizes the placement of a student requiring transportation on a taxi cab. The district does not have a contract for a taxi cab service to ensure the necessary protocol is followed in determining the cost for requiring background checks of private vendor employees. The district should use this type of contract for its own protection and to specify the responsibilities and costs of the provider.

The district cited a few issues concerning special education students transported by the county office. In one, the district requested that the county office transport two students with problematic behavior, but the county office believed that putting them in a bus together could be a problem, so it suggested the district take one while it transported the other. A resolution was not reached, and an adjusted transportation request was not submitted by the district Another issue involved a student who used a wheelchair and was transported by the county office to school each morning. When the district requested that the county office transport the wheelchair home in the afternoon while the pupil was picked up by his mother for medical reasons, the county office declined. The county office's position is reasonable since its charge-back formula is based on students transported and miles driven; therefore, carrying the wheelchair alone would incur additional miles and overhead with no direct billing to recover these costs.

The county office and districts do not have a specific contract and charge-back formula for transporting special education students. Therefore, the county office does not have a contractual obligation to provide service to districts upon individual requests. It is difficult for any collaborative transportation effort to initiate or discontinue transportation for its participants if they can choose the students transported. All involved parties should meet regularly to ensure effective communication is maintained, and problems are resolved as soon as possible. The districts should develop a county office contract that is more specific and clear about adding or reducing services, the charge-back formula, and how it is determined. This type of contract would specifically identify methods for developing an individual district's charge-back such as a per-child cost

and how that cost would be developed. The contract would identify other items factored into a charge-back formula such as overhead expenses for operating, staffing, vehicle replacement, and utility and facility expenses.

The district has a 24-bus fleet with an average unit age of 11.8 years. Although the fleet is moderate in size, it is important to establish a school bus replacement schedule to prevent the need for last-minute replacement when a serious maintenance issue occurs or a bus breaks down. The district should develop a school bus replacement schedule identifying one bus replacement annually. During the 2012-13 school year, the district operated 15 bus routes, but has reduced the number over the last several years because of declining enrollment and service reductions for home-to-school general education transportation. Shasta High School has eight bus runs, Foothill High School has 11, and Enterprise High School has one.

The Shasta Union transportation program also provides bus maintenance for other school districts on a fee-for-service basis. Compared to other transportation programs recently reviewed by FCMAT, the district has a competitive rate of $65 per hour with an added surcharge of 30% above cost for parts and supplies. This pricing structure is more similar to an internal vehicle maintenance labor cost per hour. The district provides maintenance to Grant Elementary (three buses), Junction Elementary (seven buses) and Millville Elementary (three buses). In the past, the district also provided vehicle maintenance for the Black Butte Elementary School District with six buses, but that district now contracts with the county office. The district has on-site above-ground diesel and unleaded fuel storage monitored and tracked through an electronic fuel management system. The vehicle maintenance program is well organized and has instituted an electronic program for monitoring 45-day/3,000 mile school bus safety checks (Title 13 of the California Code of Regulations).

Board policy (BP 3541.4) allows the district to lease buses to other school districts. According to district staff, this occurs only occasionally; however, the self-insurance joint powers agreement (JPA) would only allow this practice for districts in the same risk pool. Therefore, it is preferable to outsource a bus and driver, charging the requesting district for the expense. Leasing buses can open the district to additional and excessive liability and increased premiums. If a driver from another district were involved in an accident with a Shasta Union bus, premiums could increase for Shasta Union. The district should discuss Board Policy 3541.4 with risk management and the insurance provider and adjust as necessary.

According to field trip documentation, the district performs approximately 70% of its requested field trips with the remaining provided by outside for-profit charter companies. Field trip transportation expenses are charged back to school sites at a flat scheduled rate developed by staff based on standard mileage and driver time to each common destination. The transportation director annually compares field trip revenue to actual expense and in the following year, adjusts as needed. However, flat rates for destinations have not altered for the last several years. If a trip exceeds the standard mileage or driver time, a reasonable additional charge of $2 per mile and $22.50 per hour for straight-time is applied. If overtime is warranted, the hourly charge-back increases to $34 per hour. The district's method of identifying and applying rates for charging back school programs for field trips is efficient and should capture the actual costs of transportation operation and labor expense. However, the district should annually review rates and adjust accordingly the following year as a practice.

The district's student enrollment and transportation participation have decreased over the last several years. AR 3541.4 stipulates a three-mile no-service zone for high school students, but the district practice is to allow ineligible students to ride buses as long as the vehicles are not over-

crowded. The district should modify this policy to formalize this practice. Although the district does not charge for student home-to-school transportation, it has instituted a bus-pass system. The sites receive applications and process and issue passes.

The district transportation program has one full-time equivalent (FTE) director, one FTE secretary and 2.75 FTE vehicle maintenance personnel (mechanic I, mechanic III and a mechanic IV). The director of transportation and each vehicle maintenance staff member are also certified school bus drivers and act as substitutes as needed. While this staffing level is sufficient for normal operation, the office has only one support person to perform dispatch duties and handle telephone and office duties when the transportation director works as a substitute. If the district increases the transportation program's size, it should review staffing to ensure adequate coverage of responsibilities.

The district concluded the 2012-13 school year transporting 86 students through the county office transportation system. There is no formal contract between Shasta Union and the county office to transport special education students, and the billing formula is not specific about the calculation of charges. The district is concerned about the increasing cost of transportation and the anticipated excess cost increase for special education transportation provided by the county office, but it has no control or knowledge of how expenses are calculated.

## Recommendations

*The district should:*

1. Secure the transportation facility with perimeter fencing to discourage theft and damage to facilities and equipment capital investment.
2. Create and implement clear procedures for identifying and placing special education students on district home-to-school bus routes.
3. Implement a decision tree and transportation request process identifying special education students requiring transportation, specific handicapping conditions and medical history, and needs pertinent to safely transporting these students.
4. Provide specialized and specific training for all Shasta Union bus drivers to transport special education students.
5. Train district psychologists to identify and facilitate the identification of a student requiring transportation, using the transportation decision tree, and utilizing the related transportation request documentation form.
6. Develop a contract for taxi services to protect the district and articulate the responsibilities and costs of the taxi cab transportation provider.
7. Request the county office provide a transportation agreement that is clear on the transportation formula used to determine excess cost based on anticipated student ridership.
8. Establish formal and regular meetings with the county office to resolve mutual transportation problems and discuss other related issues.
9. Develop a bus replacement schedule that adequately replaces units within service and fiscal limitations.

10. Review billing rates annually and adjust accordingly in the following year as a practice.

11. Review and modify board policies and administrative regulations as needed.

## Shasta County Office of Education

The Shasta County Office of Education operates a comprehensive transportation program offering home-to-school, special education and activity trip (field trip) transportation for the 25 school districts in the county. The county office provided transportation for approximately 189 special education students in the 2012-13 school year. Approximately 141 special education students have district of residence identification for the Shasta Union High, Redding Elementary, and Enterprise Elementary school districts for the 2012-13 school year, leaving 48 special education students transported by the county office for other districts. The above three districts comprise approximately 75% of the special education students transported by the county office. All districts in the county belong to one SELPA, which is administered through the county office. The chart below represents data compiled by the county office SELPA. The IEP column represents a total of all students in each district who have an IEP as of July 24, 2013. The transportation IEP column represents all students who have an IEP with transportation as a related service. The fourth and fifth columns show those attending a program site in their district of residence or a program in the GREAT Partnership sites. The county office transportation column includes data on students transported by the county office in 2011-12, and the seventh represents students with IEPs riding on district of residence school buses, generally home-to-school general education buses.

### *Data compiled by Shasta SELPA SEIS*

| District | Total | Transp. | Attend | Attend | County Office | ON DIST |
|---|---|---|---|---|---|---|
| | IEP | IEP | Dist Site | GREAT Site | Transp(11-12) | BUS |
| EESD | 515 | 76 | 30 | 39 | 28 | 22 |
| RESD | 421 | 87 | 43 | 30 | 49 | 27 |
| SUHSD | 421 | 78 | 74 | 0 | 78 | unknown |

Because there is no formal contract for special education transportation between the county office and school districts, county office transportation service levels or requirements are not defined. As a result, it is difficult to contain costs when requests are made to initiate or terminate service to a student. Districts can opt into or out of service with little or no notice, leaving the transportation program committed to the existing route design and staff, and making it difficult to plan routes each year. The county office has specific formal contracts to transport home-to-school students with the Anderson Unified School District (seven routes), and the Redding Elementary School District (eight home-to-school routes/two special education routes). It should develop a contract specifically for special education transportation that specifies the responsibilities of each party and the formula for excess cost charge-back and is subject to annual review and acceptance.

The districts participating in the study misunderstand and mistrust the special education transportation excess cost charge-back from the county office. They do not believe the formula and calculation are clear or well communicated.

The following spreadsheet illustrates the changes in total pupils served, miles, and invoice amounts from 2006-07 to 2010-11. Eliminating county office transportation for the community school program in the 2010-11 school year had a significant impact on the special education

transportation costs in Shasta County as total costs were applied to special education. Also affecting increased costs for districts was a reduction of state pupil transportation revenue of approximately 20% beginning in the 2009-10 school year.

| | Enterprise | Redding | SUHSD | Total |
|---|---|---|---|---|
| 2006-07 ALL PUPILS | | | | 506 |
| 2006-07 PUPILS | 15 | 37 | 84 | |
| 2006-07 MILES | 72.52 | 138.21 | 417.11 | |
| 2006-07 INVOICE | $21,276.19 | $47,860.91 | $120,396.03 | |
| 2007-08 ALL PUPILS | | | | 569 |
| 2007-08 PUPILS | 29 | 36 | 80 | |
| 2007-08 MILES | 153.26 | 171.8 | 392.38 | |
| 2007-08 INVOICE | $44,839.22 | $ 53,463.72 | $120,071.52 | |
| 2008-09 ALL PUPILS | | | | 457 |
| 2008-09 PUPILS | 22 | 41 | 82 | |
| 2008-09 MILES | 126.16 | 195.62 | 378.18 | |
| 2008-09 INVOICE | $34,498.01 | $59,690.89 | $117,860.45 | |
| 2009-10 ALL PUPILS | | | | 415 |
| 2009-10 PUPILS | 26 | 45 | 83 | |
| 2009-10 MILES | 151.39 | 177.42 | 330.27 | |
| 2009-10 INVOICE | $45,668.74 | $67,962.46 | $125,749.63 | |
| 2010-11 ALL PUPILS | | | | 236 |
| 2010-11 PUPILS | 27 | 49 | 87 | |
| 2010-11 MILES | 197.5 | 227.64 | 405.61 | |
| 2010-11 INVOICE | $94,876.04 | $140,049.43 | $249,011.24 | |
| 2011-12 ALL PUPILS | | | | 206 |
| 2011-12 PUPILS | 28 | 49 | 78 | |
| 2011-12 MILES | 200.26 | 229.61 | 314.72 | |
| 2011-12 INVOICE | $114,293.88 | $161,600.20 | $241,098.71 | |

The county office charge-back is legitimate since the county office passes through all transportation costs to those involved. To promote understanding and cooperation, the county office should hold regular meetings for the district chief business officials (CBOs), business managers and transportation directors/supervisors participating in the county office special education transportation contract. These meetings should help encourage regular discussion, address transportation problems early, and ensure all participants understand the redistribution of expenses as a result of service changes that include districts taking back transportation service and funding modifications.

The county office transportation program is staffed with one transportation director, one transportation supervisor, two dispatcher/schedulers, .5 FTE administrative assistant, and three lead drivers. The lead drivers are also assigned a regular bus route and work approximately two hours each on assigned office tasks focusing on student discipline, contacting parents and responding to concerns. Additionally, the program has one lead vehicle mechanic technician, three vehicle maintenance technicians and 21 school bus drivers (18 daily school bus routes and three driver floaters for assignment). The program does not have a dedicated state-certified school driver instructor position; however, two lead drivers, the supervisor and director are state- certified

school bus instructors and share in the required training tasks. One lead driver is specifically assigned to the Anderson Union High School District routes and needs and the other is assigned to the Redding Elementary routes and needs. The third lead driver is assigned to county office routes. Based on the number of routes, the county office transportation program is staffed adequately; however, if the program continues to reduce special education routing, it should decrease support personnel accordingly.

The county office reported operating 18 special education bus routes that transport approximately 156 students for a ratio of approximately 8.6 students per bus. This ratio is slightly low, but reasonable based on the county's rural geography and distances travelled. All students are transported in yellow, conforming school buses; the county office does not use passenger vans or cabs for this purpose.

The county office charges reasonable rates for field trips. Internal programs pay $1 per mile and $21 per hour, and external trips are charged at the same rate plus an 8.5% indirect rate. Field trips for Redding Elementary are charged at an external customer rate of $1.35 per mile and $15.50 per hour.

The county office uses a software system called Filemaker Pro along with mapping assistance from Google Maps or MapQuest to generate Redding Elementary and Anderson Union High school district routes. Face sheets for special education routing are typed in Filemaker Pro with drivers creating handwritten 3-inch by 5-inch cards. Management reviews driver written directions for accuracy and efficient routing. The county office purchased an industry-standard transportation routing system called TransTraks two years ago, however its use was suspended, and none of the component modules are utilized. This is industry-standard software that can generate a bus route sheet, and identify stops and times. The county office should implement and utilize TransTraks for routing and the various other transportation modules. The initial cost of implementation, including additional staffing resources and training for startup, should be a prudent investment.

The county office operates a vehicle maintenance program under a separate budget to ensure completely separate tracking of these expenses from those for student transportation. The program charges $55 per hour for labor and a 10% markup for parts. The county office has determined that this cost structure generates sufficient revenue for vehicle maintenance to be completely self-supporting. It has maintenance contracts with multiple school districts and programs in the county, each paying the same rate for vehicle maintenance. Also included in the charge are the county office special education buses. The shop is self-supporting, and the vehicle maintenance charge structure is reasonable compared to others FCMAT has observed.

The county office purchases fuel at a local card-lock fuel retailer, and the program absorbs the vendor's fuel mark-up as well as staff time and miles to take vehicles back and forth to the fuel station. The county office should investigate the possibility of having on-site fuel storage accessed through a fuel management system as a cost saving measure.

The county office owns, operates and maintains a fleet of 30 buses with an average age of 13.43 years. It previously included a bus replacement cost of $50,000 annually in the user charge-back formula; however, this charge was recently reduced to $15,000 annually. Sound management requires ongoing planning for vehicle replacement. Although the county office has a relatively new fleet, it does not appear that the reduced charge will adequately cover bus replacement. The county office should develop a school bus replacement plan based on anticipated mileage and maintenance expense. A replacement cost factor should be included in the charge-back formula

that aligns with the bus replacement plan. Additionally, the county office is the motor carrier of record for the Anderson and Redding school districts, adding 30 units to its fleet management.

The Shasta SELPA has a growing number of level 14 group homes, those requiring the highest level of care and services. The students in these homes have significant needs and often significant disciplinary issues requiring specialized care and training. The SELPA staff believes that standardized training for drivers of these students would be beneficial. The SELPA lacks specific guidelines, policy or a decision tree for approving transportation services, and some staff members are concerned that county and school district special education staff and psychologists sometimes provide transportation unnecessarily. The county office SELPA should create transportation policy and a decision tree to ensure transportation is provided only when necessary and in the least restrictive manner.

## Recommendations

*The county office should:*

1. Develop a transportation contract specific for special education transportation that articulates the responsibilities of each party involved, formula for excess cost charge-back expense and is subject to annual review and acceptance.
2. Institute regular meetings for CBOs, business managers and transportation directors/supervisors participating in the county office special education transportation contract to encourage regular discussion, resolve transportation issues early, and ensure all parties participate as partners.
3. Utilize TransTraks for routing and the various other valuable transportation modules it offers.
4. Investigate the advantages of having fuel storage on site accessed through a fuel management system.
5. Develop a school bus replacement plan based on anticipated accumulated mileage and analysis of the vehicle maintenance expense for inclusion in the user charge-back formula.
6. Develop transportation policy and a decision tree for county and district psychologists and special education staff to ensure transportation is provided only when necessary and in the least restrictive manner.
7. Train drivers on special handling and care for group 14 students.
8. Routinely evaluate staffing based on needs and services provided, and adjust it accordingly within CBA and legal allowances.

# County Office Transportation Costs and Charge-Back Formula

The county office has created a reasonable and common charge-back formula for transportation services to assess costs back to districts. The formula consists of the actual driver cost as well as a proportion of all fixed costs. It includes the following:

## Driver Expense

- Actual expense of the special education school bus driver.
- Actual expense of bus aides although no bus aides exist at present.
- The driver times include 15 minutes for a pretrip inspection, a 15 minute break if the route is less than 7 1/2 hours, 30 minutes if for 7 1/2 hours or more, 15 minutes for daily bus closeout, 15 minutes for fueling, one hour weekly for bus washing.
- Full-time driver health and welfare benefits are prorated for part-time drivers, and drivers must work a minimum of four hours to qualify for benefits.

## Overhead costs

- Includes most fixed costs and is designed to appropriately charge them to the county office, Anderson or Redding school districts.
- Cost distribution is based on the driver FTE for each of the three participants.
- The following is included in the cost pool annual allowances for 2013-14:
    - Two dispatcher/schedulers, supervisor, director and 50% of an administrative assistant
    - Noncapitalized equipment ($8,000)
    - General supplies ($11,000)
    - Conference ($5,000)
    - Miscellaneous mileage ($500)
    - Rentals-two way radio repeater ($4,000)
    - Services/contracting - radio service repairs, fire extinguishers, misc. ($11,600)
    - Classroom unit-facility cost ($41,400) - includes utility expense
    - Fuel for administrative support car ($500)
    - Overflow parking rental lot next to the county office transportation program ($6,000)
    - General operations expense - DMV physicals, substance testing, etc. ($21,000)
    - Printing ($3,000)
- Cost pool is divided by FTE percentage of all bus routes
- Bus replacement is only included in the special education cost pool and has been recently reduced to $15,000 per year. (previously was $50,000 annually)

# California School Transportation Funding

## History

Until 1977, school transportation services were fully funded in California. School districts reported their current-year operational expenses at year end and received full reimbursement the next year. However, reimbursement was reduced slowly in subsequent years as one of the many effects of Proposition 13. In the 1982-83 school year, the reimbursement percentage to districts providing transportation was established at 80% of reported costs. Funding was capped based on what districts reported that school year, and a cost-of-living adjustment has been granted only occasionally since then. As a result, revenue to districts has not kept pace with increasing transportation expenses for the past 30 years, requiring greater contributions from the unrestricted funds. An additional deficit of state transportation revenue of approximately 20% for the immediate past four budget cycles has been imposed. According to the California Department of Education (CDE), the transportation funds received by state school districts now cover an average of approximately 35% of transportation expenses.

The Individuals with Disabilities Education Act (IDEA) established from the federal congressional passage of law PL94-142 in 1978 further affected funding, causing many school districts to reduce or eliminate nonmandated home-to-school transportation. As a result of IDEA legal requirements, students are evaluated and provided with an IEP. The IEP team may identify and mandate support services to ensure students receive equal access for their program needs including transportation services. As special needs students receive more support, less is available for nonmandated transportation services.

## State-Approved Expenses and Revenue

Thirty years ago, fewer students attended the Shasta Union High, Redding Elementary and Enterprise Elementary school districts, and the Shasta County Office of Education combined than the number of those who attend each individual entity today.

Transportation data from each school district and county office is reported at the end of each fiscal year. The Form TRAN, referred to as the TRAN report, collects various transportation data including the average number of buses used, average number of students served, total miles, and expenses. Data is tracked in the following two categories:

1. Home to school. This includes transportation for regular education transportation and for nonsevere special education students.

Severely disabled/orthopedically impaired (SD/OI). Definition and criteria for students in these categories is found in California Education Code Section 56030.5.

The following chart identifies 2010-11 and 2011-12 TRAN data for each of the four local education agencies.

| DISTRICT | #BUSES | #STUDENTS | STUDENTS W/IEP | MILES | APPROVED COST | REVENUE | COST/ MILE | COST/ STUDENT | DISTRICT CONTRIBUTION |
|---|---|---|---|---|---|---|---|---|---|
| **HTS (Resource 7230)** | | | | | | | | | |
| SUHSD 2010-11 | 17 | 861 | 0 | 271,849 | $999,522.00 | $605,390.00 | $3.68 | $1,160.89 | $394,132.00 |
| SUHSD 2011-12 | 17 | 796 | 0 | 276,388 | $1,680,742.00 | $611,254.00 | $6.08 | $2,111.49 | $1,069,488.00 |
| RESD 2010-11 | 9 | 805 | 35 | 79,248 | $804,566.00 | $237,530.00 | $0.85 | $83.93 | $567,036.00 |
| RESD 2011-12 | 8 | 829 | 34 | 77,289 | $851,861.00 | $239,831.00 | $1.13 | $105.00 | $612,030.00 |
| EESD 2010-11 | 6 | 827 | 32 | 57,795 | $446,883.00 | $146,199.00 | $7.73 | $540.37 | $ 300,684.00 |
| EESD 2011-12 | 7 | 607 | 83 | 59,254 | $619,749.00 | $147,615.00 | $7.88 | $769.08 | $472,134.00 |
| SCOE 2010-11 | 23 | 1,556 | 200 | 260,768 | $4,412.00 | $ - | $0.02 | $2.84 | $4,412.00 |
| SCOE 2011-12 | 0 | 0 | 0 | 0 | $ - | $ - | $ - | $ - | $ - |
| **SD/OI (Resource 7240)** | | | | | | | | | |
| SCOE 2010-11 | 22 | 175 | 175 | 472,868 | $1,953,494.00 | $1,041,619.00 | $ 4.10 | $11,748.45 | $911,875.00 |
| SCOE 2011-12 | 20 | 150 | 150 | 410,898 | $1,908,962.00 | $1,051,671.00 | $4.32 | $11,820.96 | $857,291.00 |

As the table indicates, the three districts do not receive SD/OI revenue. This is because these funds are claimed by the county office as the transportation provider for most Shasta County districts. The highest transportation funding for each district was in the 2008-09 school year and represents what is referred to as the district's approved apportionment. Home-to-school approved apportionments were $611,254 for Shasta Union, $239,831for Redding Elementary, and $147,615 for Enterprise Elementary. The county office SD/OI approved apportionment was $1,051,671; it did not receive one for home to school. Although the county office does contract with the Anderson High and Redding Elementary school districts, both submit their own individual state TRAN reports and claim home-to-school revenue. These amounts have been decreased by approximately 20 percent over the past four years. Additionally, if the local educational agencies (LEAs) claim less than the above amounts in each category, their apportionments will be decreased to the lower amounts. Each LEA must annually submit to the CDE a report of transportation costs and specific data as a part of the unaudited actual financial reporting.

The district and county office contributions or encroachment on the unrestricted general fund reflects poor funding of school transportation in California and increased expenses resulting from the growth of pupil transportation service.

Transportation provided by contracts with outside parties such as taxi or shuttle vendor services have been inappropriately reported on the TRAN. However, this does not affect district revenue allocation since total expenses exceed revenue by a greater amount than what was incorrectly reported. Only agency transportation expenses and students transported for home-to-school or SD/OI should be reported and claimed on the TRAN report.

# Collaborative and Formal Partnerships

District transportation services in more rural student populations such as Shasta County often experience a greater fiscal impact than urban districts because of the greater distances pupils are transported to their education programs. As a result, collaboration among groups such as districts, county offices, and joint powers agreements (JPAs), were established to share transportation expenses and help mitigate individual district costs. Collaborative partnerships for student transportation should result in greater cost efficiencies by pooling all students from a geographic region, sharing resources, and a sharing in total excess cost by a greater number of participants.

As demands for special education transportation have increased, so have related expenses to support often very specialized levels of student transportation. Combined with the capping of state student transportation revenue to districts, the excess costs charged to individual districts have escalated across the state. Because of pressure from participating agencies, collaboratives from across the state are reviewing their transportation programs, looking for greater transparency of costs and excess charge-backs to their partners, and evaluating alternatives to transport students.

Rural school districts typically benefit the most from participating in collaborative transportation. All parties in a collaboration should fully understand and agree on the mechanism for sharing expenses. They should also comprehend that removing students from the collaborative will reduce the number of pupils and/or districts used to distribute costs, increasing the proportional expense for all remaining participants.

The cooperative arrangement between the county office and the three school districts requesting this study is also subject to the consideration of the other districts served by the county office. While several options exist, larger and more extensive collaborations typically yield the most operational efficiencies and service flexibility, according to FCMAT's observations of transportation operations throughout the state.

Two of the districts in Shasta County formally contract with the county office for home-to-school transportation. The cost is specific and established in both contracts as opposed to charging actual costs. This is appropriate and beneficial for both since costs are known and can therefore be budgeted in advance. The county office can adjust contract rates annually to account for changing operational costs.

Three cooperative organizational designs to consider are:

1. Partnering or contracting services with one or more entity such as a neighboring or feeder district, county office, or private vendor.
2. Forming a cooperative with one agency acting as lead.
3. Developing a joint powers agreement.

## Cooperative with One Lead Agency

The state has many examples of cooperative school transportation arrangements. In most cases, larger district transportation operations provide services for a smaller school district. Cooperatives can be formed for one or more specific service such as routing and scheduling services, bus route services, field trips, or vehicle maintenance; or they can be comprehensive and provide for all

aspects of transportation. The best practice would be to have a formal agreement that specifies the scope of services and the rate to be charged.

A regular education home-to-school transportation cooperative could result in additional savings for the Shasta Union High, Redding Elementary, and Enterprise Elementary school districts by providing greater economies of scale for operational support and staffing. A common model for cooperative contracts is for an overlying high school district serving several elementary feeder school districts to function as lead agency. Even greater efficiencies can be achieved if all participating districts agree on a master bell schedule that includes using buses for several runs in the morning and afternoon. This arrangement also provides greater access to a variety of buses for activity and field trips since the overall fleet is larger and reduces the necessity of contracting with for-profit charter bus providers.

Facilities are also a factor since they will need to be created or expanded. A cooperative arrangement could designate Shasta Union as the lead agent providing service for the two elementary districts included in this study. While the Shasta Union transportation facility may have the capacity for some expansion, additional bus parking and facilities access to areas in the other districts would likely be a better solution.

Alternatively, a cooperative venture could be created between the two elementary districts since they are located next to one another. However, both districts would need to invest significantly in capital and operations because neither has adequate facilities or structure.

A key to a successful transportation cooperative is getting individual school systems to communicate the savings and other benefits for student transportation.

Before confirming any cooperative agreement, an extensive review of the three districts' bell schedules should be performed so they can be aligned as efficiently as possible to benefit all participants. Although each district has some separation between individual school start and end times, additional schedule adjustments could result in a two- or three-tier bell schedule in the morning and afternoon, allowing a reduction in the overall number of buses. The more runs a bus and driver can perform in the morning and afternoon, the fewer buses will be necessary, and the more efficient the program. Each of the three districts has identified early-out collaboration days. These days would need to be collectively determined, and a master calendar developed to help align bell times and reduce scheduling conflicts. Bell schedules could be staggered between schools to accommodate transportation service as is done at most K-12 unified districts; however, the three districts would benefit from a cooperative transportation arrangement even without bell schedule changes.

Efficiencies would also be realized by comingling K-12 students in outlying areas. Although this model may be foreign to an elementary or a high school district, it is common throughout the state. Student ridership behavior can often improve because older, more responsible students can be assigned a lead role and model behavior for the younger students.

Creating a larger transportation organization would essentially allow all participants to benefit from economies of scale. The savings presumably would be achieved due to the reduction in overhead and redundancy. Following is a brief analysis of a consolidated transportation operation efficiencies using two calculation methods:

1. Route calculation: Without bell schedule alterations at any of the three participant school districts, Shasta Union would continue to operate 14 bus routes, Enterprise Elementary would continue to operate six, and Redding Elementary would continue with 10. However, economies of scale would

result from operating 30 bus routes. Some routes could be reduced or eliminated by consolidating bus runs. Thirty routes with an approximate (industry average) annual operational expense of $60,000 each would result in a total expense of approximately $1.8 million. The state revenue in 2012-13 for each district totaled $1,002,880. Using this calculation method, the excess costs back to the districts should be approximately $797,120; a savings of $292,187 compared to the unrestricted general fund contribution of $1,089,307 for 2012-13.

2. Budget object calculation: Staffing for a cooperative venture would need to have a director, supervisor, dispatcher, 3.5 mechanics, 33 bus drivers (including one driver for each route and three cover drivers). The approximate expense for all salaries and benefits would be approximately $1.3 million. Fuel and oil would be approximately $290,000, tires $35,000, and other operating expenses approximately $200,000. Total approximate cost for salaries and expenses would be $1,825,000, a projected savings of approximately $267,187.

### *Projected Savings for Cooperative Home to School Transportation Service Including Shasta Union, Enterprise Elementary, Redding Elementary*

| | Projected Consolidated Expense | Spring 2012-13 State Revenue | 3 districts Estimated Excess Cost Charge | 3 districts 2012-13 Excess Cost Amt. | Proposed Savings |
|---|---|---|---|---|---|
| Using $60,000 per route | $1,800,000 | $1,002,880 | $797,120 | $1,089,307 | $292,187 |
| Using estimated detailed costs | $1,825,000 | $1,002,880 | $822,120 | $1,089,307 | $267,187 |

A cooperative venture with one lead district could yield an additional savings and enhance transportation flexibility for students at all three districts. The districts should further discuss this option. Sufficient time should be given to analyze the benefits of developing a mutually beneficial master bell schedule, facility assessment, and joint property usage.

A formula would need to be negotiated and refined to determine the operating elements that would be considered in developing and assessing expenses to be charged to each participating district. An arrangement could be developed in which a lead district provides transportation for the other two districts through a formal service contract, and the participating districts pay the lead district an amount per mile, route, or student. The three school districts should establish a work group committee to determine the type of formal cooperative agreement that would be mutually beneficial and a formula for charge-back of excess transportation expense to the lead agent.

Because Redding Elementary does not have transportation employees, it can change transportation providers at any time. Enterprise Elementary has transportation employees; therefore, the district would need to make a negotiated arrangement with the employee bargaining representative group. The three districts should also involve their employee group representatives in discussions on a lead district assuming the contractual coordination of home-to-school transportation for all three.

# Joint Powers Agreement

A joint powers agreement (JPA) is allowed and defined by the Joint Exercise of Powers Act, Title 1, Division 7, Chapter 5, Article I (Sections 6500 et seq) of the California Government Code. This section allows government agencies to form a separate public agency to provide a common service. The powers of this new agency are identical to those of the agencies that formed it, and they should be clearly articulated in the JPA. The JPA itself is the document or contract that defines the service the agency will provide and outlines its powers and responsibilities. The agency bylaws are generally included in the agreement. A school transportation JPA can be created to provide the most beneficial structure for the school districts involved. The JPA can provide all operational services, or it can provide services by contracting with a for-profit provider, or any combination. Several school transportation JPAs in the state have employees, perform vehicle maintenance, own buses, and provide all operational services. Others have as few as one employee and contract for all services. Some JPAs are separate from the school districts that formed them, and others utilize a lead agency to provide administrative or personnel services. A JPA can also be formed to provide only services for vehicle maintenance, routing and dispatch, or driver training.

The JPA is governed by a board that is usually composed of one representative from each district, each having one vote, and is subject to the Ralph M. Brown Act.

Fiscal Issues

The primary benefit of school transportation JPAs from the fiscal perspective is the economies of scale. The fixed costs of the Agency are shared by all of the members so there is less redundancy and greater efficiency. Even small school district transportation operations need to have administrative oversight, department supervision, a skilled driver instructor and vehicle maintenance capability.

FCMAT found there is a potential benefit in forming a transportation JPA between the districts involved in this study. The scope and size of a JPA could also include other Shasta County school districts as well as the county office.

If a stand-alone JPA is formed, the agency will need to contract separately with CalPERS for retirement benefits as a "Miscellaneous Other" agency. Under Education Code 41980, school districts that form school transportation JPAs can transfer the pupil transportation apportionment of each school district to the JPA, and file only one TRAN report. Shasta County JPA participants that have relinquished their state TRAN revenue to the county office would need to meet and confer on a possible transfer of funds claimed by the county office. A state TRAN transfer of revenue can be instituted through a signed agreement and submitted on a transfer form (J-141T); however, any agreement and specifics for a transfer are between the current claiming LEA and the requesting LEA.

The most difficult element, which will continue to be a significant issue for years as revenue is capped and expenses continue to rise, is creating a formula to assign revenue and assess costs to JPA members. Other JPAs in the state can be used to provide examples, but the agreement ultimately must reflect the values of the participants. Miles, minutes, and the number of routes or transported students are utilized individually or in combination to create a percentage for each member. Revenue can be distributed based on the historical "ownership" or it can be shared based on the percentage.

Capital costs can be included in the cost formula and driven by the percentage, or they can be separated and charged by some other method. An important element is a method for an entity

to partly or entirely withdraw from the agency. Most JPAs will require a minimum membership period before a member can withdraw.

The JPA should also be clear about ownership of assets and liabilities. Complete records should be maintained on contribution towards capital assets. The JPA should decide if members would have a right to a percentage of all assets, or only the assets to which they contributed.

Insurance is generally provided by the local school district insurance group. Before proceeding, a check should be performed to ensure that group rules allow the membership of a school transportation JPA and to determine the rates for property and liability, and workers' compensation insurance.

The California Department of Education's School Finance Division recognizes school transportation JPAs as any other separate LEA. These JPAs depend on their local county office for the same financial support that is generally given to county school districts such as payroll and accounts payable generation. In addition, the JPA is responsible for the same state reports as a district, including those for budget adoption, first and second interim, and unaudited actuals.

The largest impediment to the formation of a school transportation JPA will likely be Education Code 45103.1, originally Senate Bill (SB) 1419. Known as the California School Employees Association (CSEA) signature anti-contracting bill, the legislation does not specifically prohibit contracting, but places strict accountability on a district to prove that it is less expensive than using the classified employees. Although the formation of a JPA is not technically contracting, the California Association of School Transportation Officials (CASTO) and the School Transportation Coalition have worked with CSEA to allow an amendment for school districts to cooperatively provide services for each other or through a JPA.

No formal contract exists between the county office and the school districts it provides with transportation services except the home-to-school service provided to the Anderson Union High and Redding Elementary school districts. County districts can request transportation for their special education students based on county office availability, but they are not under any obligation to use the county office system since there is no contract. Additionally, most county school districts use the county office to transport some or all their special education students; therefore, they have an established practice of using an outside provider.

## Staffing Issues

Although fiscal incentives are typically the most significant motivators to form a JPA, other management issues often drive the discussion. Because of the size and affordability of small district operations, the superintendent or school principal usually administers transportation. This is a difficult task to perform efficiently and effectively without expertise and transportation experience. In many small districts, school secretaries also must handle the dispatch function and constantly monitor school bus two-way communications. School transportation is highly regulated, and criminal charges could be filed against the district and the superintendent for failure to follow legal requirements. A more knowledgeable and specialized agency can help address these issues and ensure compliance. In addition, bus drivers can often take a great deal of administrative time and resources to manage. School transportation management staff or team who have experience in transportation can often deal with these issues more effectively than those without training and experience.

Staff in the participating agencies often experience great uncertainty and anxiety. It is important for a stand-alone JPA to hire an administrator who has knowledge and experience in the program, but also in administration and fiscal and human resources issues. Most state JPAs that formed to provide full service hire many employees of the member districts. To ensure success,

the JPA generally provides employees with comparable or increased compensation and considers seniority dates and salary schedule placement. Most JPAs agree to a representation election shortly after formation and renegotiate the original collective bargaining agreement.

Successful JPAs generally work to provide an adequate professional staff based on agency needs, so some duplicated district positions may not be necessary.

A full-service JPA will need to ensure a skilled and adequate number of supervisors, vehicle maintenance staff, dispatchers, driver instructors, bus drivers, and office staff. The county office has an adequate staffing for the current transportation program, and any increase in bus routes would dictate the need for additional drivers. If Shasta Union collaborated with the Redding and Enterprise elementary school district to perform their home-to-school transportation, the high school district would need to add office support and vehicle maintenance staff as well as bus drivers to accommodate the route increase. The exact number of added support staff would depend on the routing increase and is impossible to determine without a routing study. However, any Shasta Union routing increase would require the addition of at least one office support personnel and vehicle mechanic.

## Routing and Scheduling

The state's full-service JPAs have been formed from a high school district and its feeder elementary districts since the geography is identical, the student distribution is similar, and the high school and elementary districts typically travel the same routes. The overall number of routes can be reduced through cooperative routing. Coordinating bell times can allow one bus and driver to serve several schools. The route reduction can result in significant savings, but may require the districts to make shifts in bell times. Participating districts must decide whether the JPA can require districts to change bell times. The JPA should at least have the ability to recommend bell time adjustments, and the agreement should include language indicating enforceable conditions and if so, how they would be enforced.

Another aspect of routing and scheduling that affects costs is the district calendar. Coordination works best when participating members have a similar or common calendar since the more it varies, the more difficult it is to provide economical services. Therefore, participants should minimize these calendar differences and at least consider the impact of the calendar before approving their calendar. The JPA language should include calendaring issues.

District policies can differ regarding service zones, rider eligibility, and ride times. Some districts may have policies that specifically state the criteria for transporting students. Others may not have these policies, but transport students according to historical practice. For consistency, a JPA should adopt a standard policy that establishes criteria for service zones, bus riding eligibility, and length of ride times.

## Field Trip Issues

Because it is difficult for many school districts to retain bus drivers, they develop policies prohibiting the district from taking bus trips that conflict with regular bus route times. A JPA can generally avoid those issues because they attract and staff more drivers. Because JPAs create a larger program with a bigger staffing pool, they have greater resources and flexibility to accommodate unique transportation requests. Keeping trips in house instead of contracting typically reduces program costs.

Some JPAs market their field trip or vehicle maintenance capabilities to other school districts, private schools or local government agencies. They develop a nonmember rate designed to generate revenue that helps reduce the member costs.

More information on establishing a JPA, obtained from a previously published FCMAT report, is attached as Appendix A, Fiscal, Management and Operational Considerations of the Formation of a Joint Powers Agreement (JPA), to this report.

# Recommendation

*The districts should:*

1. Discuss with the county office a joint home-to-school transportation effort by taking the following steps.
    - Provide sufficient time to analyze the benefits of developing a mutually beneficial master bell schedule, assessing facilities and jointly using properties, and work through any issues that may arise.
    - Establish a work group committee to identify the type of formal cooperative agreement that would be mutually and optimally beneficial as well as a formula for charge-back of excess transportation expense.
    - Ensure participants involve their employee group representatives in discussions on a lead district assuming the contractual coordination for home-to-school transportation for all three districts.

# Special Education Transportation

For years, the state's county offices almost exclusively provided special education transportation service. Beginning in the mid-1980s and following the state cap on school transportation funding, county offices began charging districts for the amount of the service that was no longer funded by the state. Some districts began serving some of their own students because they could do so at less expense.

Districts began to select the easiest students to transport, leaving county offices with those who lived in remote areas or required significant effort. As a result, county office operations became less efficient and cost-effective.

Since the programs typically practice zero-sum operations, meaning they distribute all costs to participants, charges to the districts increased. Districts were motivated to take more students back and transport them directly or use alternative arrangements, which caused even greater increases in costs to the remaining districts. Some county offices stopped providing special education transportation, allowing the districts to perform this task and losing all the efficiencies of cooperation. In every case reviewed by FCMAT, special education transportation became less efficient and more costly with multiple district providers instead of a cooperative arrangement that can benefit from routing efficiencies.

FCMAT's analysis indicates that Shasta County schools would benefit from having one special education transportation provider coordinate efforts for all districts. This would be best accomplished if districts that took back some special education transportation instead served their students through the transportation cooperative and proportionately shared in the expenses. This transition would not eliminate charge-backs to districts, but would reduce them and make the system more efficient. The county office's special education transportation program would presumably be the most capable of providing this service since it has the experience and expertise in routing, scheduling, and working with the most disabled students. If the districts determined to resume their own special eduction transportation, they should negotiate with the county office for a reasonable distribution of funding and fixed assets.

Unlike special education program revenue, which follows the student, special education transportation revenue is based on the county office's reported operational costs in the 1982-83 school year. School districts or county offices are not legally required to transfer the related revenue if the other entity takes responsibility for transporting students; however, there is a process to permit this transfer. Form J-141T form can be submitted to the California Department of Education for this purpose. If the county office is not designated as the single provider of special education transportation as suggested above, the districts should request a proportion distribution of the revenue it receives for special education transportation. Shasta County districts providing their own special education transportation should request from the county office an equitable transfer of their special education transportation funding and complete state Form J-141T.

Local educational agencies (LEAs) can transfer their state revenue from one agency to another by mutual agreement using the state TRAN transfer form. Because the California Education Code does not provide a specific formula to calculate the transfer of pupil transportation revenue, agencies throughout the state have devised individual formulas for accomplishing this. Some formulas that have been utilized successfully have used the percentage of the requesting agencies' students to correlate the percentage of total state revenue being transferred to the current providing LEA performing the pupil transportation. In other examples, mileage has been used as the divisor for transferring a portion of the requesting agency's revenue from the current service provider. If the three districts discussed in this report determine that it is in their best interest to provide their own special education transportation, they should meet and confer with the county office to

develop a fair and equitable formula for transferring their relative portions of the pupil transportation funding being provided to the county office.

# Recommendation

*The districts should:*

1. Implement one of the following two options:
    - Coordinate their special education transportation services through the county office.
    - Request an equitable transfer of their special education transportation funding, and complete state Form J-141T.

# Appendices

A. Fiscal, Management and Operational Considerations of the Formation of a Joint Powers Agreement (JPA)

B. Study Agreement

# Appendix A - Fiscal, Management and Operational Considerations of the Formation of a Joint Powers Agreement (JPA)

## Lead Time to Form Agency

Most Joint Powers Agreements for school transportation are formed as of July 1 of any school year. Although Joint Powers Agreements can be formed rather quickly, it would be most beneficial to have some time to address some administrative and logistical issues.

The most critical aspect; however, is that there should be enough time to determine staffing, consolidate routing and get buses and drivers on the road to provide the service.

Prior to Education Code section 45103.1 districts would lay off their staff and the JPA would simultaneously offer employment. This still happens in some areas; however the JPA would need to explore the issues involved here.

Most of the existing JPAs did some initial planning with board members (administrators from participating school districts) sharing the planning functions. Most of the directors were hired to begin by or after July 1 with an expected school start date of late August or early September. This can be done, but it must be recognized that most of the administrative practices will not be in place right away, and may take a year or more to adopt and put in place.

## Development of Board Policies

Board policies can be developed in advance of hiring an administrator, but this does require a significant investment in time of some individual. If a short time-line to establish the JPA is utilized, it may be as many as two years before board policies are in place. There are model policies that can be used to assist in the development.

## Filing with the Secretary of State

There are two filings that will need to be made with the Secretary of State of California. One is entitled “Statement of Facts, Roster of Public Agencies Filing”.

This filing must be submitted within seventy (70) days after the date of commencement of the legal existence of a new public Agency. Government Code 53050 and 53051 describes this requirement. It must be updated annually when board members change.

The second form is the “Notice of a Joint Powers Agreement”. This form shall be filed within 30 days of the creation of the Agency and also whenever there is a change in membership the “Amendment of a Joint Powers Agreement” must be filed.

The Agency must also adopt a Conflict of Interest Policy, file it with the appropriate entity (usually the County Board of Supervisors), and annually members must complete the Form 700 Statement of Economic Interests for the California Fair Political Practices Commission, just as your school district must.

## Contracting with CalPERS for Retirement Benefits

In order to have the JPA contract with CalPERS in place for the first payroll, the Agency will need to contact CalPERS a minimum of six months in advance to initiate the process. This will take some dedicated time to accomplish, but will save a great deal of grief. If it is not accomplished, one of the districts or the county office will need to act as the lead agency and employer until the contract is in place, and this can be a significant inconvenience for the Agency and the lead agency. As explained above, if the Agency is a stand-alone and separate from the school districts that formed it, it cannot be a part of the schools contract for CalPERS and would be considered a "Miscellaneous Other" agency.

## Future Employees' Salaries, Benefits, Working Conditions and Possible Collective Bargaining

As noted above, the discussion of the formation of a JPA creates a high level of anxiety among the existing employees. This feasibility study can determine the fiscal and operational benefits and the possibility of forming a JPA. If there is benefit, most likely the highest salary schedule and the best health and welfare benefits of the component districts would be utilized. More than likely, most employees are represented by CSEA. They will be most comfortable if they are given assurance that they will be able to elect representation.

# Appendix B - Study Agreement

FCMAT
FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
CSIS California School Information Services

**FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM**
**STUDY AGREEMENT**
**May 1, 2013**

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Shasta Union High 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 assign professionals to study specific aspects of the Shasta Union High School District's 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 Assembly Bill 1200, 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 also 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:

As financial support for California school bus transportation continues to erode, Shasta Union High School District, Redding Elementary School District, Enterprise Elementary School District and the Shasta County Office of Education wish to have an impartial assessment of our regular and special education home-to-school transportation programs. Research the potential of combining transportation services and operations to improve efficiency and reduce contributions from the general fund, with specific recommendations towards this goal.

The team will do the following:

1. Review the current contract and charges from Shasta County Office of Education to Shasta Union High School District, Redding Elementary School District and Enterprise Elementary School District for special education transportation.
2. Review the current contract and charges from Shasta County Office of Education to Redding Elementary School District for regular education home-to-school transportation.
3. Evaluate the opportunity for transportation of special education students on district owned buses.
4. Review special education transportation funding and provide suggested division of funding as well as property/equipment division if special education transportation is returned to the districts.
5. Review routing methodology, specifically the option of combining elementary and high school bus routes including a review of bell time modifications which can create transportation efficiencies.
6. Propose staffing models with an organization chart.
7. Review field trip rates and cost recovery.
8. Analyze the fiscal impact of provisions contained in the current bargaining contracts as they relate to transportation and make recommendations including changes which currently prevent efficiency.
9. Review current district areas where transportation is not assigned and suggest modifications that would be consistent with industry standards
10. Review bus/vehicle replacement schedules.
11. Review Redding Elementary School District bus lease contract
12. Review current funding, budgeting and general fund contributions from each district.

B. Services and Products to be Provided

1. Orientation Meeting - The team will conduct an orientation session at the district to brief district management and supervisory personnel on the team's procedures and the purpose and schedule of the study.

2. On-site Review - The team will conduct an on-site review at the district office and at school sites if necessary.

3. Exit Meeting - 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.

4. 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.

5. Draft Reports - Electronic copies of a preliminary draft report will be delivered to the district's administration for review and comment.

6. Final Report - Electronic copies of the final study report will be delivered to the district's administration following completion of the review. Printed copies are available by contacting the FCMAT office.

7. Follow-Up Support – If requested, FCMAT will return to the district at no cost six months after completion of the study to assess the district's progress in implementing the recommendations included in the report. 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:

| | |
|---|---|
| A. John F. Von Flue | FCMAT Fiscal Intervention Specialist, Project Lead |
| B. Tim Purvis | FCMAT Consultant |
| C. Michael Rea | FCMAT Consultant |

Other equally qualified staff or consultants will be substituted in the event one of the above 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. The cost of independent consultants will be billed at the actual daily rate based on the provisions of Education Code section 84041.

B. All out-of-pocket expenses, including travel, meals, lodging, etc.

C. 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 estimated cost of the study will be $18,000.**

D. 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 during on-site reviews.

B. The district will provide the following (if requested):

1. A map of the local area
2. Existing policies, regulations and prior reports that address the study scope.
3. Current or proposed organizational charts
4. Current and two (2) prior years' audit reports
5. Any documents requested on a supplemental list. Documents requested on the supplemental list should be provided to FCMAT in electronic format. Documents that are only available in hard copy should be scanned by the district and sent to FCMAT in electronic format.
6. All documents should be provided in advance of field work; any delay in the receipt of the requested documentation may affect the start date of the project. Upon approval of the signed study agreement, access will be provided to FCMAT's SharePoint document repository to which the district shall upload all requested documents.

C. The district's 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 FCMAT 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 different phases of the study:

| | |
|---|---|
| ***Orientation:*** | ***to be determined*** |
| ***Staff Interviews:*** | ***to be determined*** |
| ***Exit Meeting:*** | ***to be determined*** |
| ***Preliminary Report Submitted:*** | ***to be determined*** |
| ***Final Report Submitted:*** | ***to be determined*** |
| ***Board Presentation:*** | ***to be determined, if requested*** |
| ***Follow-Up Support:*** | ***if requested*** |

7. **CONTACT PERSON**

Tom Carroll
Telephone: (530) 241-0416
FAX: (530) 225-8470
E-Mail: tcarroll@suhsd.net

5/14/13

Jim Cloney, Superintendent
Shasta Union High School District
Date

May 1, 2013

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