



FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

CSIS California School Information Services

Fallbrook Union Elementary School District

Transportation Review

July 12, 2018



Michael H. Fine
Chief Executive Officer





July 12, 2018

Candace Singh, Ed.D. Superintendent
Fallbrook Union Elementary School District
321 Iowa Street
Fallbrook CA 92028

Dear Superintendent Singh:

In January 2018, the Fallbrook Union Elementary School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for a transportation review. Specifically, the agreement stated that FCMAT would perform the following:

1. Review the transportation delivery system for regular home-to-school transportation, including but not limited to routing methodology, bus ridership averages, cost-per-mile comparisons, scheduling, operations and staffing, and general fund contribution, and make recommendations for improvements and potential cost savings, if any.
2. Evaluate the transportation department's organizational structure and staffing, and make recommendations for staffing improvements or reductions, if any.
3. Review the transportation department operational processes and procedures, including use of technology for program support areas, safety and training program, required school bus driver record maintenance and professional development, and make recommendations for improved efficiency, if any.
4. Review the district's vehicle maintenance program identifying industry standard best practices, compliance with Title 13 Code of Regulations, California Air Resources Board and local Air Quality Management District regulations, vehicle maintenance records, school bus safety checks and district fleet preventative maintenance program design and documentation, inventory control and district fleet inventory assessment, and make recommendations for improvement, if any.
5. Review the district's transportation facility to include terminal offices, vehicle maintenance repair garages, fueling infrastructure, fleet parking, county storm water requirements and adherence, hazardous materials best practices and security, and make recommendations for improvement, if any.
6. Review the district's self-transportation zone distance and evaluate any cost savings by increasing the distances.

FCMAT

Michael H. Fine, Chief Executive Officer

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Administrative Agent: Mary C. Barlow - Office of Kern County Superintendent of Schools

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

FCMAT appreciates the opportunity to serve the Fallbrook Union Elementary School District and extends thanks to all the staff for their assistance during fieldwork.

Sincerely,

A handwritten signature in black ink that reads "Michael H. Fine". The signature is written in a cursive, flowing style.

Michael H. Fine
Chief Executive Officer

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About FCMAT

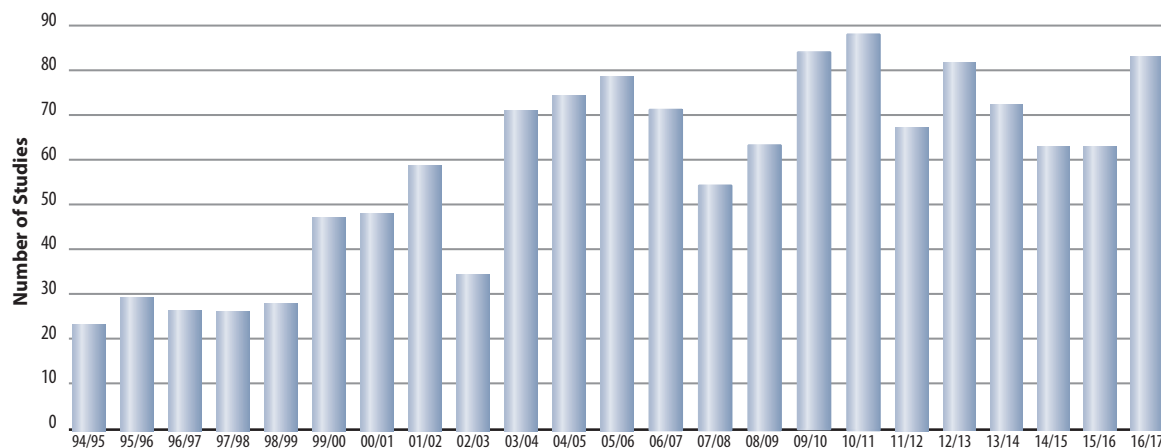
FCMAT's primary mission is to assist California's local K-14 educational agencies to identify, prevent, and resolve financial, human resources and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related 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, support the training and development of chief business officials and help to create efficient organizational operations. FCMAT's data management services are used to help local educational agencies (LEAs) meet state reporting responsibilities, improve data quality, and inform instructional program decisions.

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 LEA 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.

FCMAT has continued to make adjustments in the types of support provided based on the changing dynamics of K-14 LEAs and the implementation of major educational reforms.

Studies by Fiscal Year



FCMAT also develops and provides numerous publications, software tools, workshops and professional development opportunities to help LEAs operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) division of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS). CSIS also hosts and maintains the Ed-Data website (www.ed-data.org) and provides technical expertise to the Ed-Data partnership: the California Department of Education, EdSource and FCMAT.

FCMAT was created by Assembly Bill (AB) 1200 in 1992 to assist LEAs to meet and sustain their financial obligations. AB 107 in 1997 charged FCMAT with responsibility for CSIS and its state-wide data management work. AB 1115 in 1999 codified CSIS' mission.

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

In January 2006, Senate Bill 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 more than 1,000 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 Michael H. Fine, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

Introduction

Background

Located in unincorporated North San Diego County, the Fallbrook Union Elementary School District has an approximate enrollment of 4,900 students. Nearly 65% qualify for free or reduced-price lunch, are foster students or are English language learners (ELL). This qualifies the district for concentration funding under the State's Local Control Funding Formula (LCFF). Enrollment has been in decline for nearly a decade.

The district has nine schools serving K-8 students, including two on the Camp Pendleton Marine Corps Base. It encompasses 295.3 square miles and transports approximately 1,426 regular education students on 11 bus routes.

This study focuses on regular education transportation; however, it is impossible to evaluate the department without considering some of the impacts of special education transportation. Therefore, each section of the report will necessarily discuss this area within the overall provision of transportation.

In October 2017, the district requested that FCMAT review its student transportation service. Specifically, the agreement requests that FCMAT perform the following:

1. Review the transportation delivery system for regular home-to-school transportation, including but not limited to routing methodology, bus ridership averages, cost-per-mile comparisons, scheduling, operations and staffing, and general fund contribution, and make recommendations for improvements and potential cost savings, if any.
2. Evaluate the transportation department's organizational structure and staffing, and make recommendations for staffing improvements or reductions, if any.
3. Review the transportation department operational processes and procedures, including use of technology for program support areas, safety and training program, required school bus driver record maintenance and 1 professional development, and make recommendations for improved efficiency, if any.
4. Review the district's vehicle maintenance program identifying industry standard best practices, compliance with Title 13 Code of Regulations, California Air Resources Board and local Air Quality Management District regulations, vehicle maintenance records, school bus safety checks and district fleet preventative maintenance program design and documentation, inventory control and district fleet inventory assessment, and make recommendations for improvement, if any.
5. Review the district's transportation facility to include terminal offices, vehicle maintenance repair garages, fueling infrastructure, fleet parking, county storm water requirements and adherence, hazardous materials best practices and security, and make recommendations for improvement, if any. 6. Review the district's self-transportation zone distance and evaluate any cost savings by increasing the distances.

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Study and Report Guidelines

FCMAT visited the district on March 7-9, 2018 to conduct interviews, collect data, review documents and inspect facilities. This report is the result of those activities and is divided into the following sections:

- Executive Summary
- Transportation Funding and Finance
- Routing and Scheduling
- Staffing
- Vehicle Maintenance, Fleet and Facility
- Driver Training and Safety
- Appendices

FCMAT's reports focus on systems and processes that may need improvement. Those that may be functioning well are generally not commented on in FCMAT's reports. In writing its reports, FCMAT uses the Associated Press Stylebook, a comprehensive guide to usage and accepted style that emphasizes conciseness and clarity. In addition, this guide emphasizes plain language, discourages the use of jargon and capitalizes relatively few terms.

Study Team

The study team was composed of the following members:

Scott Sexsmith
FCMAT Intervention Specialist
Bakersfield, CA

Timothy Purvis *
Director, Transportation
Poway Unified School District
Poway, CA

Leonel Martínez
FCMAT Technical Writer
Bakersfield, CA

Mike Rea
FCMAT Consultant
Santa Rosa, CA

*As a member of this study team, this consultant was not representing his respective employer but was working solely as an independent contractor for FCMAT.

Each team member reviewed the draft report to confirm its accuracy and to achieve consensus on the final recommendations.

Executive Summary

Transportation Funding and Finance

The district receives a total of \$781,898 in funding for regular and special education transportation, and the 2017-18 fiscal year budget for both is \$2,430,746. The state funds approximately 32% of the district's pupil transportation expenditures. The approximate annual cost per pupil is \$1,704.59, which is low, and the cost per route is \$86,812.

Before 1999, the district also provided transportation for the Fallbrook Union High School District under a cooperative arrangement, and all transportation operated out of the current facility. That arrangement was dissolved in 1999, when the high school district decided to provide its own transportation under a contract with a for-profit provider. The two districts entered into an agreement that allowed the high school district to use a portion of the transportation facility for bus parking, bus shop space and the location of a portable office on the lot. The utility costs are divided. It would benefit the district to regularly review and update this agreement to reflect current practices.

The district also has an agreement with the Boys and Girls Clubs of North County that allows the organization to park its bus at the district facility. That agreement was executed for the 2016-17 school year, but has not been renewed for 2017-18 even though it is ongoing.

An annual review of the field trip rate would help determine if it is sufficient to recover operating costs.

Routing

The district operates 11 regular education bus routes transporting 1,426 students, and the average ridership is 129 students per route.

New residential subdivisions are being constructed on the eastside of the district near Highway 15 and are expected to result in more students, who will require approximately two additional routes.

The district has asked about strategies to reduce transportation costs with the least impact on earning. Increased nonservice zones would reduce the total number of students served, and tiered bell schedules could serve the same number with lower costs.

Staffing

The director, transportation is also the only state-certified school bus driver instructor for the department. He spends a significant amount of time training drivers. An additional instructor could work on an as-needed basis. The Transportation Technician dispatches, schedules field trips and develops all bus routes. She is a long-time department employee who may soon retire. Training someone in the position's duties would allow the district to prepare for the eventual retirement.

Vehicle Maintenance, Fleet and Facility

The district's CHP terminal inspection history is "satisfactory," meaning it complies with the laws and regulations for pupil transportation operations. The department utilizes a school bus vehicle maintenance software program that has no accommodation for annual updates or software

support. Subsequently, the system cannot communicate with the district's pretrip inspection or fuel management system software. There are options available to ensure districtwide two-way radio coverage.

Nonschool bus vehicles that transport students should be regularly maintained and should be closer to the same interval as the required school bus inspection intervals. The average school bus fleet age is 15.5 years, which is relatively old.

The fuel system has an electronic fuel management system and could benefit from a security camera system viewing the fueling island.

Driver Training and Safety

School bus driver training in California is highly regulated. The district's driver training records appear to comply with applicable regulations, with no significant deficiencies.

A Transportation Safety Plan that complies with E.C. 39831.3 was implemented; however, a new law requires all drivers to check their buses after each route/run to ensure that no child is left inside. The district uses a product from Zonar systems to help ensure no students are left on the bus. The Transportation Safety Plan must be revised to include these new requirements.

All commercial vehicle carriers in California must enroll their commercial drivers in the DMV Employer Pull Notice Program. The district has enrolled the commercial drivers in this program and although not mandated, the district can enroll other employees who drive district vehicles.

Findings and Recommendations

Transportation Funding and Finance

School transportation in California has been inadequately funded for many years. Until 1977, school districts reported their transportation operational costs to the State Department of Education, and the state reimbursed those costs in the subsequent year. Capital costs were never reimbursed. After the passage of Proposition 13 in 1978, the state gradually reduced the percentage of reimbursement. In the 1982-83 school year, the state capped the apportionment to each district at 80% of the previous year's reported cost amount. Cost-of-living adjustments were granted only occasionally through the years. Revenue remained rather static as costs increased, with the state's share of the funding covering approximately 45% of reported costs in the 2008-09 school year. That was the highest recent year of funding, and it was identified as each participating school district's approved apportionment. During the Great Recession, the state reduced all categorical program funding, including transportation, by approximately 20%. This effectively means that it covers approximately 32% of costs compared to 35% of the statewide cost of pupil transportation, and individual districts vary widely in the percentage amount of their funding.

With the implementation of the state's LCFF in the 2013-14 fiscal year, school districts continued to receive the amount certified in April 2013. Under LCFF, transportation revenue has never received a COLA, is restricted to transportation use and is subject to a maintenance of effort (MOE) that requires districts to spend at least as much as they receive. For the district, that amounted to \$781,898 for both regular and special education transportation. The 2015-16 budget for regular and special education transportation was \$2,244,298, with actual expenditures of \$2,106,963.

The budget for the district's transportation for 2016-17 was \$2,333,648, and actual expenditures were \$1,974,449. The budget for the 2017-18 fiscal year for regular and special education transportation is projected to be \$2,430,746. In the previous two fiscal years, the actual expenditures were significantly less than the budgeted amount. State funding is expected to cover approximately 32% of the district's transportation budget. Because the state suspended school transportation data reporting at the outset of LCFF, there is no way to compare the district's transportation costs with those of neighboring or comparative school districts. Based on data before the LCFF, this percentage is in line with the statewide average funding for pupil transportation (total statewide costs compared to total statewide revenue).

Assuming the 2017-18 budget proves to be accurate, the transportation cost per pupil for the district will be approximately \$1,704.59. The CDE stopped collecting statewide school transportation data at the outset of LCFF implementation. The last statewide annual cost per pupil average prior to the state eliminating TRAN reporting was approximately \$1,500 for regular education and \$6,500 for special education transportation. The district's comparative costs, based on this information, are quite competitive, indicating that reasonable controls keep costs low. The average cost per route, arrived at by dividing the 2017-18 fiscal year transportation budget by the 28 routes, is \$86,812 per route. This per-route cost is similar to what FCMAT observes statewide.

The district does not charge fees for home-to-school transportation. Charging fees for pupil transportation has been legal since 1992 based on a ruling by the California Supreme Court. Approximately 65 percent of the district's students; however, would qualify for free or reduced-price passes and are normally exempted from paying transportation fees. Therefore, the revenue collected would likely not even cover the additional clerical cost of collecting and processing the fees. The Transportation Department issues passes, but only to register students and track passengers. This is an efficient positive practice.

Before 1999, the district also provided transportation for the Fallbrook Union High School District under a cooperative arrangement. All transportation operated out of the current facility. However, that arrangement was dissolved in 1999 when the high school district decided to provide its own transportation under a contract with a for-profit provider. The arrangement continued to allow the high school district's provider to utilize part of the facility if it equally shared utilities cost. The contractor erected a portable building for its offices, and one of the shop service bays was walled-in to allow private use of some of the shop space. Fuel use would be invoiced to the users. However, the agreement was executed September 1, 1997 and has not been revisited. District staff did not have thorough knowledge of the agreement and relied on past practices concerning its assumed contents. It would benefit the parties to regularly evaluate the agreement and determine if it continues to address current needs, practices and the rates charged adequately cover costs incurred in the operation of the program. The document is attached as Appendix A to this report.

The district entered into another agreement with the Boys & Girls Clubs of North County that allows the organization to park a bus at the facility. The district also provides maintenance for the school bus and training for the driver(s). Although the organization pays for the maintenance and training, it does not pay for parking the bus at the yard. The agreement contains important language requiring the Boys & Girls Clubs of North County to carry appropriate insurance, names the district as an additional insured and indemnifies the district. The agreement is attached as Appendix B to this report.

The district charges its schools and team \$1.95 per mile and \$31.25 per hour for field and athletic trips on its buses. This fee is charged from the time students are picked up at the school until they are returned to the same location. The rate has not been amended for three years and likely does not completely capture the cost of providing field trip service.

The Step 1 salary for bus drivers is \$17.60 per hour, which is relatively competitive with local school districts. The district also provides generous health and welfare benefits, with most part-time bus drivers receiving full family health, dental and vision coverage. These benefits were negotiated to attract drivers and other classified employees since the district is relatively far from larger population centers and therefore does not have a large labor supply. However, the benefits also increase department costs compared with other school districts that might only offer them as a prorated option.

Route contract times are efficiently managed. Drivers are paid for their route driving time with 30 minutes for pretrip inspection (15 minutes if the bus does not have air brakes), 15 minutes of sweep and clean time and five minutes of warm-up time before the afternoon route. These are reasonable times for these duties.

Recommendations

The district should:

1. Annually review the facility agreement with the high school district to ensure it remains current with practices and ensure that Fallbrook Union employees are familiar with the contents and terms of the agreement.
2. Annually review the field and athletic trip rates and adjust as necessary.

Routing and Scheduling

Administrative Regulation 3541 establishes a transportation nonservice zone from each of the districts' schools to a radius of 1.5 miles. This zone was adopted in 1997 and limited the previous service. The department generally follows this rule and does not provide regular education transportation in this zone except for a few areas with significant student safety concerns. However, recent administrative direction allows the department to provide service to students who live in the nonservice zone and can walk to an established stop (outside of the zone) if the bus has room. Although this seems like a logical exception, problems could arise if a number of eligible students decided to ride the bus and exceeded the bus's capacity, forcing these students off the route.

Transportation nonservice zones are not intended to reduce student safety, but provide reasonable parameters of service. Parents are ultimately responsible for ensuring their student's safety when traveling to school or a bus stop.

The district has 11 regular education bus routes. One of those routes provides service from San Onofre School to Mary Fay Pendleton School while construction at San Onofre is ongoing. It will be terminated once the construction is complete. Approximately 1,426 students ride these routes, with an average ridership of 129 per route. Since most buses have an 84-passenger capacity or less, this indicates efficient bus use. Each bus transports more than its single-ride average because the district's bell times and routing allow buses to be used for at least two runs in the morning and two in the evening. Approximately 400 of these students ride buses serving Potter Junior High School.

The district also provides 17 special education bus routes using seven buses and 10 nonschool bus vans or automobiles. These routes serve approximately 175 students who receive transportation as a related service as dictated by their individualized education programs (IEPs). This is an average ridership of 10.3 students per route, which is efficient compared to what FCMAT has observed throughout the state. Based on statewide trends, the district should prepare for the steady growth of its special education population and an increased need for transportation as a related service.

The schools report generally efficient service except when a high number of drivers call in sick. On those days, the department makes efforts to consolidate; however, some routes run later than their posted schedule.

New housing is being constructed on the east side of the district adjacent to Highway 15, and it could require additional bus service based on the district's nonservice zones. This area is several miles from the closest schools. Department staff reported that this housing is in the Live Oak School attendance area, but because that school is impacted, the students will be assigned to William Frazier Elementary School, which is even further away from the developments than Live Oak. Department staff estimated that one more bus route will be necessary by the 2018-19 school year, and as many as two routes will be necessary when the development is complete. The district is planning on the additional cost for this new service. The incremental cost of each route will likely be less than the per-route amount identified in the previous section because that calculation was based on dividing all department costs by the number of routes. The addition of these two new routes will require two new drivers, but no additional support positions such as mechanics, driver instructors, dispatchers, office staff, etc.

Department staff indicated that more security at the Camp Pendleton east gate has increased the travel time on this military base, and the district is aware and has plans for alternate routes. San Onofre and Mary Fay Pendleton schools are located on the base, and the department should probably plan for this situation to continue indefinitely.

The administration is highly interested in determining whether the district can reasonably reduce regular education transportation costs without decreasing enrollment. In 1997, the school district extended the nonservice zone to 1.5 miles, resulting in a reduction of the overall number of regular education bus routes. Further extending the nonservice zone could reduce the overall amount of transportation; however, this runs the risk that some students will not attend school (although parents are responsible for their student's attendance) or receive an education elsewhere. FCMAT cannot definitively determine the number of bus routes that could be eliminated by extending nonservice zones, and the scope of this study does not include riding routes to perform a detailed analysis. With these caveats, FCMAT estimates that extending the nonservice zone to 1.75 miles would likely allow the district to reduce approximately four bus routes, and extending it to two miles could allow the elimination of approximately two additional routes for a total of six.

Although dividing the total budgeted transportation cost by the 28 routes results in a per-route cost of \$86,812, special education routes generally are longer and more expensive. This simplistic method also includes all administrative costs, which may not be reduced in direct proportion to the number of bus routes that might be eliminated. For the sake of planning, the approximate savings related to reducing routes would include the cost of operating the bus (fuel, tires, maintenance), and the cost of the employee (salary, salary driven benefits, health and welfare benefits). That amount would likely be in the range of \$40,000-\$50,000 per route, depending on the length (miles and hours), and the drivers' salary step level. The district likely would not reduce office and administrative support or vehicle maintenance services since regular maintenance would still be necessary.

Some special education students ride regular education bus routes. If these nonservice zones are extended, they would likely require service on a special education bus route, and FCMAT cannot determine the overall impact of this potential increase in special education transportation.

As an alternative, the district may consider maintaining the current nonservice zone and separating the bell schedule for more efficient bus use, reducing the overall number of routes, and avoiding the risk of reduced enrollment. Many districts use tiered bell schedules for more efficient bus service. Nearly all the district's schools begin between 7:50 a.m. and 8:15 a.m. Each bus can provide service to one school and perhaps some limited assistance at another school. If approximately half of the district's schools began at 7:45 a.m. with the remaining schools beginning at 8:45 a.m., the Transportation Department could reduce approximately four to five regular education routes while providing the same service. Each route would be composed of two runs. A run would be an element of each route that picks up students and delivers them to school in the morning. In the afternoon, the service would be reversed. This bell time revision would also increase the efficiency of the special education bus routes (unlike extending the service zones), resulting in fewer overall bus routes. Those routes would be longer, featuring more mileage per route and more labor hours per driver. FCMAT does realize, as well, that revising school bell times can be a daunting process that affects schools, teachers and parents' schedules. Based on the regular education service now provided, it would be imperative that Live Oak School and Potter Junior High School be on different tiers, as they compose the largest part of the regular education bus route service currently.

The department's transportation technician develops all routing using paper maps and her knowledge of the district, then manually enters the information into Microsoft Excel. The route sheets include directions, pertinent student information, bus stop locations and times. The district does not utilize any computerized routing program. Although the process works, it is time-consuming

at the beginning of each school year and at the beginning of the summer Extended School Year (ESY) program for special education students. Special education bus routing is complex, using a variety of schools, bell times and individual student needs. A district with 28 routes is approaching the point of needing a computerized routing program. A comprehensive program would require at least one additional staff person to operate because of its complexity; however, less-intensive database and routing programs are available that could assist the department with its technology needs, and they do not require significant staff or financial commitment.

The department coordinates field and athletic trip service for its schools. To book the trip, the school secretary typically calls the Transportation Department, which writes the trip on a calendar, assigns it according to department protocols, and retrieves the mileage and time data from the driver after the conclusion. Schools are billed monthly for the service. The district has no vehicles that teachers or coaches can check out for transporting students, and Administrative Regulation 3541.1 expressly prohibits parent-driven trips. These practices enhance the safety for the district's students by ensuring they will generally be transported on school buses.

On rare occasions, the district does not have a bus and driver available, and the department arranges for a charter bus, which is paid for by the school. This service must be provided by a school bus or a charter bus in compliance with VC 546, a School Pupil Activity Bus (SPAB), which requires a higher level of driver certification and vehicle maintenance like a school bus. The district usually retains the services of First Student, the high school district's contractor, or WESS Transportation, a local vendor that often utilizes school buses.

Transportation staff indicated that administrative staff are occasionally not at school sites to assist the Transportation Department or supervise students, when the need arises. After a bus leaves the school in the afternoon, a discipline issue occasionally arises causing the driver to want to return to school for support. However, administrators are sometimes difficult to reach so they can provide support in those situations.

Recommendation

The district should:

1. Continue to plan for the additional cost of approximately two new bus routes serving new subdivisions on the east side of the district.
2. Continue to plan on delays at the Camp Pendleton east gate because of heightened security procedures.
3. Consider revising school bell schedules, with half of the district's schools opening at 7:45 a.m. and the other half at 8:45 am.
4. Explore computerized school transportation software programs to assist with routing and other department needs.
5. Ensure appropriate and responsive staff are at schools to supervise students and support school transportation staff in case of an emergency before or after school while buses are on the road.

Staffing

The Transportation Department is staffed as follows:

- 1 FTE director, transportation
- 1 FTE secretary III-bilingual
- 1 FTE transportation technician
- 1 FTE lead mechanic
- 1 FTE mechanic III
- 1 3.5 hr. per day, 12-month custodian
- 2 Part time driver-custodians
- 18 part-time transportation (some open positions)
- 1 part-time bus aide
- Several temporary substitute drivers

The temporary substitute drivers are utilized to drive special education students on bus routes using nonschool bus vans or automobiles. They receive a minimal amount of training, but are immediately enrolled in training to become a bus driver. This strategy is beneficial because these individuals are earning some pay while being trained and gaining experience.

The director, transportation is also a state-certified school bus driver instructor. He spends a significant amount of his time training drivers, which is a critical need, and driving a bus as a substitute (although at the time of FCMAT's fieldwork, he was unable to drive a school bus because of medical problems). An operation of this size needs to have someone else on staff who can perform some driver training, but not necessarily a full-time or even articulated position. This could be a certified driver who performs the duties only when required. A state-certified school bus driver instructor is prepared by a state-certified instructor and attends a three-week residential program in Sacramento at the California Department of Education's (CDE's) Office of School Transportation. This classification of instructor can perform classroom instructing, in-service, behind-the-wheel training and all documentation. Alternately, the district could select, train and have certified a delegated behind-the-wheel instructor, a position that is certified by the CDE's Office of School Transportation, but limited to performing behind-the-wheel training.

The transportation technician dispatches, routes and books field trips, arranging for all route and trip coverage and developing emergency plans when the number of drivers who call in sick exceeds the number of potential substitutes. She receives telephone calls at home at night from drivers reporting that they are ill. This individual is a longtime and devoted employee of the department who is likely to retire soon. The district should plan for her succession since this is an extremely critical position. The transportation technician works a shift from 6 a.m. to 3:30 p.m. with a two-hour lunch scheduled from 10 a.m. to noon. During lunch and after the shift, the secretary III handles communication on the phones and two-way radio. The district could benefit from creating a short-term, part-time position to learn these critical duties and be prepared to succeed when the incumbent retires. It is not reasonable to expect that the secretary III or the director, transportation could adequately fill the duties of this position, even in the short term.

The department averages one employee absence per day, and the district has struggled with filling all its driver positions. With open positions and no substitutes other than in-house staff,

few options remain when drivers call in sick. Employees cooperate as much as they can, and the district has banners at schools advertising the need for drivers. Another strategy is to place notices in school newsletters publicizing the need for bus drivers. The district's Human Resource Department has developed an attractive flyer encouraging people to consider employment as a bus driver. Driver shortages and recruiting difficulties are nationwide and a constant problem. School bus driving is a difficult position that works part-time on a split shift, but still demands a high level of responsibility and has other challenges. Providing part-time classified employees with full health and welfare benefits is likely an incentive. The district pays for the physical exam and fingerprinting for driver training, but not for the training itself.

Student behavior problems are handled primarily by school bus drivers and the department. When students misbehave on the bus, drivers complete a bus misconduct form. The district has articulated levels of discipline, including suspension from the bus for periods of time, and the drivers or department staff telephone parents to notify them of the infractions and consequences. The school of attendance receives a copy of the misconduct form. The school may become involved in the suspensions, depending on the impact on the student or school.

The director, transportation and the lead mechanic also have the special license necessary to drive a school bus. The director regularly drives routes as a substitute, often two or three times a week, and the lead mechanic drives a similar amount of time. The mechanic III is training to become a bus driver and occasionally drives a nonschool bus van two or three times a week. Although it is helpful for the mechanics to act as substitutes, this decreases valuable vehicle maintenance time.

The department has a driver handbook that contains standard operating rules and procedures and regular practices. The department reported that the handbook is old, but was recently retyped, and the elements that were extremely outdated were omitted. The department realizes it needs to revise the handbook to remove references to antiquated practices that are no longer followed and add practices that were recently adopted.

Recommendation

The district should:

1. Select, train and hire an as-needed state-certified school bus driver-instructor or a delegated behind-the-wheel instructor.
2. Plan for the eventual retirement of the transportation technician.
3. Consider announcing the need for bus drivers regularly in school newsletters. Consider paying bus driver trainees a training rate to attract more trainees.
4. Update the driver handbook.

Vehicle Maintenance, Fleet and Facility

Vehicle Maintenance

The California Highway Patrol (CHP) Motor Carrier Inspector Unit annually inspects buses, vehicle maintenance records, driver records, driver timekeeping records and federal drug and alcohol testing records. It produces a report of findings entitled the “Safety Compliance Report/Terminal Record Update,” or more commonly known as the “terminal grade.” The district’s most current inspections had the following results:

- 4/4/2016: Satisfactory
- 4/21/2017: Unsatisfactory
- 8/24/2017: Satisfactory

“Satisfactory” is the highest grade awarded to any motor carrier and indicates general compliance with laws and regulations governing school bus safety. An “unsatisfactory” grade is serious. In each case, the CHP clearly advises that a failure to correct the deficiencies can result in a recommendation to the Public Utilities Commission (PUC) to revoke the district’s motor carrier operating authority, the filing of a complaint with the district attorney for potential prosecution, and the filing of an injunction. Charges can be brought against the board and the superintendent for failure to address these issues.

The reason for the district’s prior unsatisfactory rating included three drivers who were allowed to drive buses even though they were not declared proficient to do so (13 CCR 1229), three who did not have a record-of duty-status (13 CCR 1213), four who did not complete a pretrip inspection report (13 CCR 1215), one bus that exceeded the maximum allowed inspection interval (13, CCR 1232), and one that had less than the allowable tread depth (VC 27465). Whenever there is an unsatisfactory grade, the CHP schedules a reinspection within 120 days. That subsequent inspection was satisfactory; however, some driver duty status violations were noted. The department was preparing for the annual CHP inspection within a couple of weeks of FCMAT’s visit.

School buses are required to be inspected every 45 days or 3,000 miles, whichever occurs first, as per Title 13 of the California Code of Regulations, Section 1232 (13 CCR 1232). The district maintains a software program named “Easy Bus” that maintains inspection and maintenance data and alerts the department of the due dates of the inspections. The software has been programmed to alert the mechanics at approximately 30 days. The inspection is usually performed within 10 days of the due date. Mileage is not easily tracked since the fueling software (where mileage is entered) cannot communicate with the Easy Bus vehicle maintenance software. Buses do not appear to approach the 3,000-mile limit before the 45-day limit.

The department performs and maintains an inventory of parts, tires and equipment in the shop. This is a positive process that is rarely seen in school districts. Most school districts have the inventory, but never formally record the inventory and its value, and therefore have little idea of what is on the shelves or its value.

Recent state legislation requires districts to train bus drivers on the need to check buses after every route to ensure students are not left inside unattended. The legislation also requires the installation of some type of compliant electronic device to ensure this check is completed by the beginning of the 2018-19 school year. The district is aware of these requirements and is using the Zonar system to help meet them. Some legislation has been introduced in Sacramento that may delay implementation of this device until the beginning of the 2019-20 school year.

The district purchased the Easy Bus vehicle maintenance software with no ongoing software maintenance agreement. The district also has an electronic fuel management system named “Petro Vend.” Drivers enter a special key that identifies the vehicle to be fueled, and they are prompted for the mileage; however, these two software programs cannot communicate with each other. If they could, the mileage data could be immediately downloaded into the Easy Bus system. In addition, the district operates another software program named “Zonar,” that allows drivers to electronically perform and record their pretrip inspection. When a driver discovers a vehicle defect, it is reported in the system. However, the Zonar software again cannot communicate with the Easy Bus software. If that were the case, it would automatically create work orders for the necessary repairs. The lead mechanic spends up to two hours per day separately downloading, uploading and integrating this data, and creating work orders; this is not an efficient use of the lead mechanic’s time.

All the other district vehicles are scheduled to be inspected on a 90-day rotation. The maintenance staff indicated that the maintenance and grounds vehicles are often not regularly inspected. There are passenger vans and one sedan that transport special education students daily. Although these vehicles are reportedly inspected on a 90-day rotation, FCMAT’s review of the vehicle maintenance records found that is not always the case. According to district records, some intervals even exceeded 120 days. Vehicles that transport students should be maintained to a higher standard that is perhaps closer to that of a school bus.

The two mechanics are skilled and do not subcontract much vehicle maintenance work. The department has computerized engine and transmission diagnostic devices, but some have not been updated. Otherwise, the shop is well equipped.

The district complies with diesel particulate matter exhaust rules since all the diesel buses are outfitted with appropriate particulate filters.

Fleet

The number of vehicles reported differs slightly from the number that appears on the inventory sheet. The inventory sheet lists 27 coach or larger type buses, nine smaller buses, 12 nonschool bus vans, and 16 support vehicles for the Grounds, Maintenance and other departments. The department staff indicated the district has 27 large buses, eight smaller buses, nine vans, one shop truck, one Ford Taurus, 19 support vehicles for the other departments. Two of the buses on the lot (Bus # 60, #61) have been declared surplus, but not yet sold. Although the differences are minor, the number of large buses is too many and the number of small buses is too few for the type of route service the district provides. With only 11 regular education routes and few field trips, the district should consider replacing larger buses with smaller, special education buses in the future. Although transporting students in nonschool bus vans has its place and purpose, it is far safer to work towards placing as many special education students on school buses as possible.

The average fleet age is approximately 15.5 years. Many school districts do not have the resources in their general fund to regularly replace school buses, however, many have benefitted from school bus grant replacement programs funded by the local air district or the California Air Resources Board. Unfortunately, the San Diego Air Pollution Control District does not fund such programs as frequently as other districts, which has limited the ability to replace older buses. The district generally has a relatively old fleet of buses, and consideration should be given to replacement appropriations. Some statewide grant programs will soon be available, and the district should be aware and apply for them as this occurs.

All the school buses are equipped with video camera monitoring and recording equipment. The department is in the process of installing a third camera head to assist in full-bus interior visualization. The Zonar system also is a global positioning system (GPS) that allows the department to view the bus's location in live time as well as determine speed, stopping location and the amount of time the bus is stopped. This is a valuable program.

The district has a two-way radio system that allows drivers and the transportation office to communicate vital information. The department reported that the provider changed a few years ago. A mountain-top antenna used to be located on Red Mountain, but this was changed in favor of a system that utilizes more antennas at a lower height. This has resulted in poorer radio coverage, with some of the district's geography being outside of the area that the system can communicate. De Luz Canyon and parts of Camp Pendleton are outside the range of this system. This could produce unintended safety issues.

The district's school buses are clean, inside and out thanks to the efforts of the drivers.

Facilities

The bus maintenance facility is functional, relatively clean, outfitted with necessary tools, and is appropriate for the number of vehicles.

The district complies with the State Water Board's Storm Water Pollution and Prevention Plan and works to keep contaminated storm water out of the local waterways. At the time of FCMAT's visit, the district was preparing for the State Water Board to reinspect the site. The district also has a bus washing area with a drain that empties into a three-stage sump or "separator".

These sumps are typically regulated by the local sewer district, which generally wants to keep rainwater out of the system. However, the bus wash area is not covered, and rainwater can enter the system. The local sewer or waste disposal district should know whether Fallbrook Union complies with local industrial waste regulations.

The district has a 3,000-gallon underground gasoline tank and a 5,000-gallon underground diesel tank on site with one pump each. The Petro Vend system monitors fuel use although no security cameras view the fuel island. Installing working security cameras that view the fuel island would be an additional security measure.

Recommendation

The district should:

1. Explore what would be necessary to allow the department software programs to communicate with each other to reduce the Lead Mechanic clerical duties.
2. Provide drivers with ongoing training on the need to check buses after every route to ensure students are not left inside unattended. Ensure drivers are familiar with the Zonar system for this purpose. Revise the district's Transportation Safety Plan to include this change (in the Driver Training and Safety section).
3. Install some type of compliant electronic device to ensure the above check is completed by the beginning of the 2018-19 school year. Legislation may delay this requirement until 2019-20.

4. Maintain nonschool bus vehicles that transport students on a frequency schedule that is like school buses.
5. Update electronic engine and transmission diagnostic programs.
6. Plan school bus replacement appropriations in the future. Monitor and apply for any school bus replacement grant programs for which the district may qualify.
7. Evaluate improving the district's two-way radio communications between buses and the office.
8. Determine if the district complies with local industrial waste rules on rain-water entering the separator system.
9. Consider installing security cameras outside to view the fuel island.

Driver Training and Safety

School bus driver training in California is highly regulated. Prospective bus drivers must receive a minimum of 20 hours of classroom training and 20 hours of behind the wheel training (E.C. 40080-40089) on curriculum developed by the California Department of Education's Office of School Transportation. Teaching all the classroom-training units generally takes about 35 hours, and at least that amount is necessary for behind-the-wheel training. In addition, bus drivers must receive a minimum of 10 hours of in-service training time every year. Only a state-certified school bus driver instructor can conduct this training (E.C. 40084.5). Behind-the-wheel training may be given by a delegated behind-the-wheel instructor, which is another certification allowed by law and provided by the CDE's Office of School Transportation. The training must be meticulously recorded. In addition, bus drivers must submit to a background check (fingerprinting) for licensing and for employment, and drug and alcohol testing in compliance with Federal Department of Transportation (DOT) rules (49CFR382).

The driver training records appear to be in order with no significant deficiencies, indicating that the director, transportation is effective in keeping the department's drivers up to date on required training.

According to E.C. 39831.5 school bus emergency evacuation drills and student safety instruction must be performed annually, and specific records kept for students in grades K-6. Specific safety information must also be announced before every field trip. The Transportation Department is aware of these regulations and has conducted the drills.

The transportation safety plan has a limited visibility policy in compliance with VC 34501.6. This law requires that such a policy be adopted and gives the drivers the discretionary authority to cease operation of the vehicle when visibility is less than 200'.

The department occasionally has bus accidents. The director reported that he evaluates accidents and performs remedial training with drivers as necessary. Data indicated five accidents occurred in 2016-17, and two have occurred to date in the 2017-18 school year.

The director and his staff also reported that they manage the DMV employer pull notice program. This program requires the enrollment of each commercial driver so the district receives annual reports of a driver's record and a report after an accident or moving violation.

The district does not allow parents to drive students on field trips (AR 3541.1), nor does the district have vehicles that it allows teachers or coaches to drive students in. These are both best practices and ensures a higher level of safety when students are traveling to and from school activities on a school bus.

The federal DOT drug and alcohol testing program is managed by a third-party administrator: Comprehensive Drug Testing (CDT) of Long Beach, California. The director, transportation technician and secretary III receive direct communication from the company and the notification of random tests. These three individuals also have received training to detect and deal with the need to test drivers on a "reasonable suspicion" basis. At least one responsible individual is required to be trained in this detection and the procedures. The director and transportation technician are in the testing pool since they are also commercial drivers. When their names are on the list for random testing, they do not receive notification, but the others do, ensuring the secrecy of the test. Van drivers who drive special education students are in a separate, but similar drug and alcohol testing pool. Although they are not required to be tested by law, this is an effective practice.

California Code of Regulations 13 CCR 1229 requires that drivers demonstrate proficiency on any commercial vehicle before driving it unsupervised on the road. Records of each vehicle and which drivers are proficient on that vehicle must be kept. Those records exist and are updated when a driver attains any new proficiency. The director generally performs the proficiency training and certification, and the department is aware that drivers must be proficient to drive a vehicle.

The department provides annual in-service training at the beginning of each school year. This specialized department training is generally 4 ½ to 5 hours in length. Monthly in-service meetings are scheduled for approximately one hour each and contain informative and valuable training information for bus drivers and staff. Original classroom training is regularly provided for new candidates to become bus drivers, are usually individuals who are temporary substitutes or drive vans. Renewal classroom training for a minimum of 10 hours is required for any driver in the last year of his or her school bus certificate validity. These individuals are placed in an original class and attend when the specific, required units of instruction are taught. The director performs all behind-the-wheel training, accident retraining and safety ride-checks of the drivers on their routes. Every district employee is certified in Red Cross first aid, CPR and automated external defibrillator training, and renews that certification every two years.

The department recently instituted a bus pass program. All K-6 students enroll for school transportation and are issued a pass. That data is maintained in the district's student information system. All 7-8 grade students use their student identification card as their bus pass, but they are also listed in the student information system as a bus rider. This data collection is an excellent practice and ensures the district complies with EC 39831.5, and drivers are aware if any students require to be physically escorted across the street at their bus stop.

Recommendation

The district should:

1. Enroll any district employee who drives a district vehicle in the DMV pull notice program.

Appendices

Appendix A

Agreement for Joint Use

AGREEMENT FOR JOINT USE AND OPERATION OF VEHICLE SERVICE FACILITY

This agreement ("Agreement") is made as of September 1, 1999, by and between the Fallbrook Union High School District ("High School") and the Fallbrook Union Elementary School District ("Elementary School").

RECITAL

A. Certain improvements to real property located at 825 Winterhaven Road, Fallbrook, California, have been utilized as a vehicle service facility (the "Facility") for the purpose of promoting the provision of school transportation services (primarily buses) by both parties.

B. High School and Elementary School desire to jointly use the Facility, thereby reducing the costs of transportation services to both parties. By entering into this Agreement, the parties desire to set forth their mutual rights and obligations in connection with their joint use and improvement of, and their respective ownership rights in the Facility.

C. In addition, Elementary School intends to acquire real property contiguous to the Facility for the primary purpose of expanding the useable area of the Facility for the benefit of both parties. By entering into this Agreement, the parties desire to set forth their mutual rights and obligations in connection with their joint use of the Facility Agreement.

NOW, THEREFORE, it is agreed as follows:

A. JOINT USE OF FACILITY

1. General. Except as otherwise specified in this paragraph A, the Facility shall be equally available to High School and Elementary School on a 24-hour basis, if required by either party, to facilitate the provision of transportation services by both parties to their respective student bodies. The parties shall consult to determine optimum operating hours satisfactory to both parties.
2. Maintenance Bays, District Offices and Lounge Areas. High School shall have the sole use of one maintenance bay to be designated by the mutual agreement of an authorized representative of the parties. Neither party shall have any right of access to, nor any responsibility for, the other party's Maintenance Bay Area. High School shall utilize a relocatable structure for its dispatch office, lounge, or other purpose consistent with this Agreement, at a location on Facility grounds to be designated by the mutual agreement of an authorized representative of the parties. Elementary School shall utilize the existing building for its dispatch office, lounge, or other purpose consistent with this

Agreement. Neither party shall have any right of access to, nor any responsibility for, the other party's dispatch office/lounge area.

B. OPERATION OF FACILITY.

1. General. Each party shall be responsible for the operation, maintenance and repair of its own designated areas. Except as otherwise specified in this paragraph B, the parties shall equally share the costs of operating and maintaining the common areas of the Facility, including, without limitation, water, electricity, and sewer charges; provided, however, that each party shall bear sole responsibility for the costs of material and equipment maintenance, repair and replacement resulting from the negligence of its own employees and agents, including, without limitation, failure to adhere to planned maintenance schedules required or recommended by any manufacturer to maintain a warranty in force. Elementary School expressly assumes no responsibility for said costs due to High School's negligence. High School expressly assumes no responsibility for damage to the Facility due to Elementary School negligence. Each party shall not charge the other for use, repair or maintenance of the Facility, except that such charges shall be permissible only to the extent such charges by one party result from the negligence of the other party.
2. Costs of Petroleum Products. Each party shall be responsible for the actual cost of the fuel and other petroleum products, if any, consumed by that party. All fuel dispensed to High School users shall be metered and recorded as to quantity and type dispensed. Elementary School shall present High School with a monthly statement of fuels dispensed, and High School agrees to pay the actual cost incurred by Elementary School within thirty (30) days of receipt of Elementary School's statement. Elementary School shall keep and provide to High School such records of its use as High School may reasonably require to document Elementary School's use of fuel. Each party agrees to bear its own costs of labor for actually dispensing fuel for their own equipment.
3. Vehicle Washing Facility. The vehicle washing facility shall be maintained by Elementary School, and the parties shall share equally in the costs of its operation and maintenance. The parties shall confer as to a mutually acceptable schedule for vehicle washing.
4. Personnel and Tools. Unless otherwise specified in writing by an authorized representative of High School and Elementary School, each party shall be responsible for supplying its own personnel, equipment, tools and supplies to accommodate its own needs at the Facility.
5. Licenses, Permits and Registration. Each party shall secure, maintain and display as required by law the necessary licenses, permits and registration for the operation of the Facility during the term of this Agreement.

C. **LIABILITY FOR OPERATION OF FACILITIES.**

1. **Liability For Negligence Of Own Agents.** Each party shall be liable for the negligence of its own employees, agents and contractors in the use and operation of the Facilities.
2. **Compliance With Financial Responsibility Laws.** Each party shall maintain such insurance or evidence of financial responsibility as may be required by law including, without limitation, insurance against death, personal injury and damage to property that may arise out of the operation and maintenance of the Facility.
3. **Workers' Compensation.** Each party shall maintain such insurance or other evidence of financial responsibility as may be required by law under the Workers' Compensation Insurance Act as will protect the party from claims that may arise from activities of its officers, agents and employees under this Agreement.
4. **Liability for Releases and Dangerous Conditions; Indemnification.**
 - a. High School and Elementary School agree to generally share equally in the costs of cleanup and remediation of leaks and releases from Facility storage tanks, and abatement or liability arising from dangerous conditions, except as provided below.
 - b. If any release or leakage, or dangerous condition, results from the negligent failure of a party's employees or agents to comply with obligations under this Agreement or applicable state or federal law, that party agrees to bear all liability associated with cleanup and remediation of the release or leakage, or dangerous condition, and agrees to assume the defense of, indemnify and hold harmless the other party, its employees and assigns from and against all actions, claims, losses, liabilities, costs and expenses, including actual attorneys' fees and court costs, resulting from or arising out of any such negligent failure by that party, its agents, officers or employees.
 - c. Indemnification provided herein shall be a full indemnification from any and all losses, costs, liabilities, actions, suits, proceedings, unnecessary demands, claims, penalties, interest, assessments, and judgments, and shall include all of the legal fees and costs which are incurred by the indemnified party with respect to the matter which gave rise to indemnification.
 - d. Notwithstanding the foregoing, no party shall be required to indemnify any other party with respect to any claim unless the party seeking

indemnification (the “Indemnatee”) follows the procedures herein set forth. The Indemnatee shall, from the date the Indemnatee received knowledge of the facts supporting its claim, promptly notify the party from whom indemnification is sought (the “Indemnitor”) of the claim. The Indemnatee shall provide the Indemnitor with a copy of its claim or other documents received, and shall otherwise make available to the Indemnitor all relevant information which is material to the defense of such claim. The Indemnitor shall have the right at its own expense to defend against such claim, either in its own name or in the name of the Indemnatee, as may be required, and the Indemnatee shall have the right to participate in such defense. The Indemnatee shall not settle or compromise the claim unless it first obtains Indemnitor’s written consent, or unless suit has been instituted against the Indemnatee and the Indemnitor has failed, following the lapse of a reasonable time after written notice to it of such suit, to take action to defend the suit.

5. **Participation in Suit Defense.** Any party may at its own cost participate in the defense of any suit, or in the prosecution of any appeal affecting matters herein involved where the duty of defense or prosecution is imposed on the other party, and where the other party has consented thereto.

D. AMENDMENTS/MODIFICATIONS; COMPLETE AGREEMENT

1. **Amendments.** Either party may propose amendments or modifications to this Agreement. Any such changes shall be effective when incorporated in written amendments to this Agreement and approved by the respective Governing Boards.
2. **Complete and Final Agreement.** This Agreement contains the complete and final understanding of the parties hereto with respect to the subject matter herein. This Agreement supersedes any prior written or oral discussions, negotiations, understandings or agreements between the parties.

E. TERM OF AGREEMENT; RIGHTS UPON TERMINATION.

1. This Agreement shall be in full force and effect commencing on the date first written above, and shall remain in effect from year-to-year unless either party, notifies the other party, in writing, of its intent to terminate this agreement in accordance with this Section E.
2. As used in this Section E: “Subject Property” means the approximately 3.75 acres of land owned by High School at 825 Winterhaven Road on which the Facilities are located, and all permanent buildings and fixtures thereon which were placed or constructed by High School; “Adjacent Property” means the approximately 2.48 acres of contiguous land to be acquired by Elementary School (A.P.Nos. 106-254-16, 17, 18, 19) and which is to be developed by

Elementary School for expansion of the Facility; "Termination" of this Agreement includes any significant change by High School in use, ownership or control of the Subject Property, or any portion thereof, that substantially impairs its use by Elementary School for vehicle storage and maintenance purposes.

- a. **Right of First Refusal.** If at any time during the term of this Agreement, High School determines to sell the Subject Property, or any portion thereof, to any third party, the High School shall notify Elementary School in writing of such determination and Elementary School shall have the right of first refusal to purchase the Subject Property. The parties shall negotiate in good faith concerning the price and terms of such sale, based on the fair market value of the Subject Property and its highest and best use, without regard to its public use, for a period of sixty (60) days from the date of written notice from High School.

If after sixty (60) days the parties are unable to reach an agreement on the price and terms of the sale, then High School shall present an offer to Elementary School, in writing, which shall contain the price, terms and conditions upon which High School is willing to sell the Subject Property which terms shall be based on fair market value. Elementary School shall have thirty (30) days in which to either accept or reject said offer in writing.

If Elementary School elects to reject the offer, High School may proceed to sell the Subject Property to any third party upon the same terms and conditions contained in High School's last written offer ("Last Offer"), or upon terms and conditions more favorable to High School, for a period one (1) year after the date of High School's last written offer. Should High School subsequently desire to offer the Subject Property for sale on any terms and conditions more than one (1) year after the date of its Last Offer to Elementary School, or should it subsequently desire to offer the Subject Property for sale within the one (1) year period on the terms and conditions more favorable to the buyer than those contained in the Last Offer, High School shall submit a written offer to Elementary School prior to offering the same to a third party, and Elementary School shall have thirty (30) days within which to either accept or reject said offer in writing. If Elementary School rejects the offer, High School may offer the Subject Property for sale to third parties as described above.

- b. **Buyout of Interest.** In the event that High School desires to (i) terminate this Agreement without the written consent of Elementary School; or (ii) terminate this Agreement by discontinuing use of the Subject Property as a vehicle storage and maintenance yard; or both,

(“Buy-Out Event”) then it shall give Elementary School ninety (90) days written notice of its intent to end the association or discontinue the existing use. Thereafter, at Elementary School’s sole option, High School shall be required to purchase from Elementary School the Adjacent Property for the price and upon the terms and conditions described below.

The purchase price to be paid by High School to Elementary School for the Adjacent Property shall be that amount which is determined by appraisal in the manner set forth herein. The appraisal shall be performed by a single neutral arbitrator mutually agreed upon by the parties. In the event that the parties are unable to so agree within ten (10) days following the Buy-Out Event, each party shall choose one appraiser, and the appraiser so chosen shall choose a third appraiser who shall perform the appraisal (except that if a party fails to so choose an appraiser within such ten (10) day period, the appraiser selected by the other party within the ten (10) day period shall perform the appraisal). The appraiser shall determine the fair market value of the Adjacent Property on the basis of its highest and best use, without regard to public use, (the “Agreed Price”) within sixty (60) days. As soon as the fair market value is determined, the appraiser shall give notice to the parties. The decision of the appraiser shall be final and binding upon all parties. All expenses of the appraisal shall be borne equally between the parties.

The parties shall deposit an executed Purchase and Sale Agreement and High School shall deposit the Agreed Price, in cash, into escrow within twenty (20) days of receipt of the notice of the Agreed Price from the appraiser (“Opening of Escrow”). Escrow shall close and the Agreed Price shall be paid to Elementary School within thirty (30) days of the Opening of Escrow.

Grant of Easement; Right of Access. Upon its acquisition of the Adjacent Property, Elementary School shall construct improvements as necessary for reasonable vehicular access across the Subject Property to the Adjacent Property at Elementary School’s sole expense. It is the intent of the parties that this be the primary access to the Adjacent Property.

In addition, High School agrees to grant to Elementary School, at no cost to Elementary School, a nonexclusive easement for road and utility purposes to be located as follows: beginning at the closest point of legal vehicular access of the Subject Property to a County-owned and maintained street, over and through the Subject Property, to the Adjacent Property; such easement shall be sixty (60) feet in width, and shall be located so as to provide reasonable, practical vehicular access to the

portion of the Adjacent Property nearest to a public street. It is the intent of the parties that the easement shall encompass any improvements constructed by Elementary School for the purposes of accessing the Adjacent Property. The easement shall be granted and recorded prior to: (1) the sale, lease or hypothecation of the Subject Property, or any portion thereof, to any third party; (2) the expiration or termination of this Agreement for any reason; or (3) the discontinuance of the use of the Subject Property for vehicle storage and maintenance purposes. The easement shall include all secondary rights of access as may be required to construct and maintain improvements thereon.

- d. **Recovery of Property.** In the event of termination of this Agreement, Elementary School may remove any or all of the property and equipment, including any temporary buildings or other relocatable structures, that it may have placed on the Subject Property.

F. FUTURE IMPROVEMENTS

1. Either party may propose the construction of additional improvements to the Subject Property at any time for the purpose of enhancing or enlarging the vehicle maintenance or storage facilities which will be jointly used and, if agreed upon, paid for jointly. In addition, neither party shall make any improvements to the Subject Property without first giving the other party not less than 15 working days prior written notice, describing with specificity the improvements to be made. Within 10 working days of receiving such a notice, a party may demand, in writing, a meeting to discuss the impacts of any proposed improvements on operations under this Agreement. If no such request to meet and confer is received, the party sending the notice may assume that the other party has no objection to the improvements to be made, provided that they will be made at the sole expense of the party proposing the improvements.
2. If the parties agree upon the joint funding of any improvement, such agreement shall be in writing, and the proposing party shall be paid by the other party the full amount agreed upon prior to the commencement of the work. Such funds shall be held by the party constructing the improvements, in trust, and may be invested with that party's funds until needed; provided that all interest earned thereon shall be applied towards the improvements, and that any excess funds remaining at the end of the project shall be returned to the contributing party within thirty-five (35) days after the filing of a notice of completion on the project, or completion of the work (if no notice of completion is required).

G. MISCELLANEOUS

1. Successors and Assigns; Transfer or Sale. No interest in this Agreement, the facilities constructed or installed hereunder, or in the real property on which they are located, shall be leased, sold, assigned, pledged or alienated in any

manner without the written consent of the other party, which consent shall not be unreasonably withheld. This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective successors (to substantially all of the assets of either party) and permitted assigns.

2. **Costs and Expenses.** Each party hereto shall bear all of its own costs (including attorneys' fees) in connection with the negotiation, preparation, performance, and enforcement of this Agreement.
3. **Further Assurances.** High School and Elementary School agree that after the execution of this Agreement, upon either party's request, they may from time to time execute and deliver to each other all such instruments and documents of further assurance as shall be necessary to carry out the intent of this Agreement, and both parties shall provide or otherwise make available to each other all such documents, instruments, Agreements and other information as shall be reasonably necessary to carry out the obligations hereunder and fully to consummate the transactions contemplated herein.
4. **No Third Party Beneficiary Rights.** This Agreement is not intended to and shall not be construed to give any person or entity other than the parties signatory hereto or their respective successors, assigns, heirs and legal representatives any interest or rights (including without limitation any third party beneficiary rights) with respect to or in connection with any Agreement or provision contained herein or contemplated hereby.
5. **Notice to Third Party Contractors.** In the event either party uses contractors to provide any aspect of transportation service to their respective student bodies, that party agrees to provide a copy of this Agreement to an authorized representative of such contractor(s).
6. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together constitute one and the same document.
7. **Notices.** Any notice or other communication given to either party hereunder shall be deemed to be given on the fifth business day after mailing by register mail, postage prepaid, return receipt requested, or one business day after telefaxed (with confirmation of receipt sent from recipient's fax machine), or telecopied or delivered by Federal Express, addressed to the parties as follows:

To High School:

Fallbrook Union High School District
Attn: Asst. Sup. Business Services
2234 Stage Coach Lane
Fallbrook, CA 92028

To Elementary School:

Fallbrook Union Elementary School
Attn: Asst. Sup. Business Services
321 North Iowa Street
Fallbrook, CA 92028

Appendix B

Memorandum of Understanding

FALLBROOK UNION ELEMENTARY SCHOOL DISTRICT AND THE BOYS & GIRLS CLUBS OF NORTH COUNTY

Memorandum of Understanding

This Memorandum of Understanding ("MOU") is entered into and executed as of August 22, 2016 by and between Fallbrook Union Elementary School District, a school district organized and existing under the laws of the State of California ("Provider") and the Boys and Girls Clubs of North County, a California nonprofit public benefit entity ("B&G CNC"), with respect to the following matters:

- A. **PURPOSE:** The purpose of this MOU is to provide storage and maintenance for a school bus ("school bus") owned by the Boys & Girls Clubs of North County for the 2016-17 school year.
- B. **PROVIDER:** The provider shall house and maintain the school bus as outlined in this MOU.
 - 1. Provide a location to house the school bus when not in use.
 - 2. Comply with all laws, ordinances, rules and regulations which may affect the performance of this MOU, and in particular, to such laws pertaining to safety.
 - 3. Provider will maintain the school bus in good mechanical order to pass California Highway Patrol ("CHP") school bus inspection. District is not responsible for requesting or being a part of required inspections. It is the sole responsibility of the B&G CNC to schedule and maintain proper school bus inspections and to be in compliance with CHP.
 - 4. Perform all required and/or requested maintenance inspections. The school bus will be maintained on a 45 day or 3000-mile maintenance inspection schedule; same as required by Provider under state law. Provider will provide written notice to B&G CNC when school bus is scheduled for maintenance inspection. To the best of the ability of Provider, maintenance inspections will be conducted during a time that will not interrupt school bus services provided by the B&G CNC.
 - 5. Provide all documentation to the B&G CNC within 10 days after maintenance inspection. District is not responsible for maintaining such records on behalf of B&G CNC.
 - 6. If requested, provide driver training for B&G CNC employee(s). B&G CNC will be billed for actual costs that are associated with training, i.e.: District trainers' hourly wage to perform training. B&G CNC is responsible for keeping employee(s) current on training requirements and certification that are required by law.
 - 7. All actual costs to provide services, supplies, parts, and repairs will be billed monthly to the B&G CNC. A monthly itemized statement will be sent with the proper documentation outlining all services and supplies that were necessary in the maintenance and proper up keep of

school bus. This includes but is not limited to: professional services, fuel, parts, repairs and labor performed under this MOU.

8. Will obtain authorization from the B&G CNC for any repair that has an estimated cost of \$1,000.00 or more.
9. Provider will notify B&G CNC immediately if any repairs require the school bus to be placed out of commission. Provider will work with the B&G CNC to get the school bus back into operation as soon as possible. Provider is not responsible if school bus is placed out of commission for any reason. B&G CNC will be responsible to secure other means of transportation should school bus be deemed non-operational.
10. Provider is not responsible for any damage or vandalism that may occur while school bus is housed at the facility.

C. B&G CNC: The B&G CNC shall be responsible for the following areas as outlined in this MOU.

1. Any and all actual costs related to the proper maintenance of school bus.
2. Comply with all laws, ordinances, rules and regulations which may affect the performance of this MOU, and in particular, to such laws pertaining to safety.
3. Provide a properly trained driver(s) for the school bus. Maintain all documentation related to properly trained driver(s) and keep up to date with required training and certifications as required by law.
4. Will maintain and keep all maintenance records and inspection documentation of school bus. Obtain CHP inspections as required by law. B&G CNC staff member will be onsite during such inspections. B&G CNC will be fully responsible for school bus and any findings that may arise from said inspections.
5. Driver will fill out paperwork daily and turn into the Provider. Paperwork is required to maintain proper maintenance and inspection schedules. Provider is not responsible should B&G CNC driver not complete paperwork.
6. B&G CNC shall obtain and keep in force during the life of this MOU, a policy of comprehensive Public Liability and Property Damage Insurance which insures Provider against any and all claims of liability, including accident, injury, or death arising from the services provided under this MOU. Such insurance shall be in an amount not less than ONE MILLION DOLLARS (\$1,000,000.00) to protect themselves and the Provider from any and all claims for any personal injury to, death of, any person or persons in any accident or occurrence, and shall name the Fallbrook Union Elementary School District as additional insured, as well as from all claims for Property Damage. B&G CNC shall provide a statement of coverage and will indemnify Provider per the terms and

conditions of the MOU and up to the limits of insurance required above.

D. Terms and Conditions: It is mutually understood and agreed by and between the parties that:

1. Modifications with in this MOU shall be made by mutual consent of parties, by the issuance of a written modification, signed and dated by all parties, prior to any changes being performed.
2. B&G CNC agrees to defend, indemnify, protect and hold the Provider and its agents, officers, and employees harmless from and against any all claims asserted or liability established for damages or injuries to any person or property, including injury to Provider's employees, agents, or officers which arise from or are connected with or are caused or claimed to be caused by the acts or omissions of Provider, and it's agents, officers, or employees, in performing work or services herein, and all expenses of investigating and defending against same.
3. B&G CNC recognizes that Provider is a Drug Free Workplace. B&G CNC will notify their staff, employees, and officers that it is unlawful to manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the work place. B&G CNC will take necessary action against employees for violations of the prohibition.
4. Termination of this MOU may be done by either party, by giving written notice to the other party thirty (30) days prior to the effective termination. Provider may terminate this MOU at any time if B&G CNC fails to meet or fulfill its obligations hereunder. In the event of termination by either party.

Boys & Girls Clubs of North County

Allison Barclay
Signature

Allison Barclay
Printed Name

CEO
Title

8/23/16
Date

Fallbrook Union Elementary School
District

[Signature]
Signature

Raymond N. Proctor
Printed Name

Assoc. Superintendent of Business Services
Title

8/24/2016
Date

Appendix C

Study Agreement



CSIS California School Information Services

**FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
January 4, 2018**

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Fallbrook Union Elementary School District, hereinafter referred to as the district, mutually agree as follows:

1. BASIS OF AGREEMENT

The team provides a variety of services to local education agencies (LEAs). The district has requested that the team assign professionals to study specific aspects of the 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

1. Review the transportation delivery system for regular home-to-school transportation, including but not limited to routing methodology, bus ridership averages, cost-per-mile comparisons, scheduling, operations and staffing, and general fund contribution, and make recommendations for improvements and potential cost savings, if any.
2. Evaluate the transportation department's organizational structure and staffing, and make recommendations for staffing improvements or reductions, if any.
3. Review the transportation department operational processes and procedures, including use of technology for program support areas, safety and training program, required school bus driver record maintenance and

professional development, and make recommendations for improved efficiency, if any.

4. Review the district's vehicle maintenance program identifying industry standard best practices, compliance with Title 13 Code of Regulations, California Air Resources Board and local Air Quality Management District regulations, vehicle maintenance records, school bus safety checks and district fleet preventative maintenance program design and documentation, inventory control and district fleet inventory assessment, and make recommendations for improvement, if any.
5. Review the district's transportation facility to include terminal offices, vehicle maintenance repair garages, fueling infrastructure, fleet parking, county storm water requirements and adherence, hazardous materials best practices and security, and make recommendations for improvement, if any.
6. Review the district's self-transportation zone distance and evaluate any cost savings by increasing the distances.

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 – Approximately 10 days after the exit meeting, the team will issue an exit letter briefly memorializing the topics discussed in the exit meeting.
5. Draft Report - 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 report will be delivered to the district's administration and to the county superintendent following completion of the review. Printed copies are available from FCMAT upon request.

7. Follow-Up Support – If requested by the district within six to 12 months after completion of the study, FCMAT will return to the district at no cost to assess the district’s progress in implementing the recommendations included in the report. Progress in implementing the recommendations will be documented to the district in a FCMAT management letter. FCMAT will work with the district on a mutually convenient time to return for follow-up support that is no sooner than eight months and no later than 18 months after completion of the study.

3. **PROJECT PERSONNEL**

The FCMAT study team may also include:

- | | |
|----------------------------|-------------------------|
| <i>A. To be determined</i> | <i>FCMAT Staff</i> |
| <i>B. To be determined</i> | <i>FCMAT Consultant</i> |
| <i>C. To be determined</i> | <i>FCMAT Consultant</i> |

4. **PROJECT COSTS**

The cost for studies requested pursuant to Education Code (EC) 42127.8(d)(1) shall be as follows:

- A. \$800 per day for each staff member while on site, conducting fieldwork at other locations, presenting reports and participating in meetings. The cost of independent FCMAT consultants will be billed at their actual daily rate for all work performed.
- B. All out-of-pocket expenses, including travel, meals and lodging.
- 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 the district’s acceptance of the final report.

Based on the elements noted in section 2A, the total not-to-exceed cost of the study will be \$22,900.

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

Payments for FCMAT’s services are payable to Kern County Superintendent of Schools - Administrative Agent located at 1300 17th Street, City Centre, Bakersfield, CA 93301.

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. Policies, regulations and prior reports that address the study scope.
 - 2. Current or proposed organizational charts.
 - 3. Current and two prior years' audit reports.
 - 4. Any documents requested on a supplemental list. Documents requested on the supplemental list should be provided to FCMAT only in electronic format; if only hard copies are available, they should be scanned by the district and sent to FCMAT in electronic format.
 - 5. Documents should be provided in advance of fieldwork; any delay in the receipt of the requested documents may affect the start date and/or completion date of the project. Upon approval of the signed study agreement, access will be provided to FCMAT's online SharePoint document repository, where the district will upload all requested documents.
- C. The district's administration will review a preliminary draft copy of the report resulting from 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 and will be established upon the receipt of a signed study agreement:

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

7. COMMENCEMENT, TERMINATION AND COMPLETION OF WORK

FCMAT will begin work as soon as it has assembled an available and appropriate study team consisting of FCMAT staff and independent consultants, taking into consideration other jobs FCMAT has previously undertaken and assignments from the state. The team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the district and any other parties from which, in the team's judgment, it must obtain information. Once the team has completed its fieldwork, it will proceed to prepare a preliminary draft report and a final report. Prior to completion of fieldwork, the district may terminate its request for service and will be responsible for all costs incurred by FCMAT to the date of termination under Section 4 (Project Costs). If the district does not provide written notice of termination prior to completion of fieldwork, the team will complete its work and deliver its report and the district will be responsible for the full costs. The district understands and agrees that FCMAT is a state agency and all FCMAT reports are published on the FCMAT website and made available to interested parties in state government. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a report once fieldwork has been completed, and the district shall not request that it do so.

8. INDEPENDENT CONTRACTOR

FCMAT is an independent contractor and is not an employee or engaged in any manner with the district. The manner in which FCMAT's services are rendered shall be within its sole control and discretion. FCMAT representatives are not authorized to speak for, represent, or obligate the district in any manner without prior express written authorization from an officer of the district.

9. INSURANCE


During the term of this agreement, FCMAT shall maintain liability insurance of not less than \$1 million unless otherwise agreed upon in writing by the district, automobile liability insurance in the amount required under California state law, and workers compensation as required under California state law. FCMAT shall provide certificates of insurance, with Fallbrook Union Elementary School District named as additional insured, indicating applicable insurance coverages upon request prior to the commencement of on-site work.

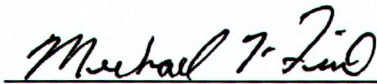
10. HOLD HARMLESS

FCMAT shall hold the district, its board, officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of its board, officers, agents and employees undertaken under this agreement. Conversely, the district shall hold FCMAT, its board, officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of its board, officers, agents and employees undertaken under this agreement.

11. CONTACT PERSON

Name: Raymond Proctor, Associate Superintendent of Business Services
Telephone: (760) 731-5445
E-mail: rproctor@fuesd.org


Raymond Proctor
for Dr. Candace Singh, Superintendent
Fallbrook Union Elementary School District
Date 1/22/2018


Michael H. Fine,
Chief Executive Officer
Fiscal Crisis and Management Assistance Team
Date January 4, 2018