



Budget Advisory Committee

Budget Outlook and Transportation Update

January 18, 2012

State Economic Outlook



- **Current revenue analysis reflects:**
 - Revenues through December are above target by \$150 million.
 - Revenues for the second quarter are projected to show some improvement over the first quarter.

New on the State Front



- The Governor announced her push for the a $\frac{3}{4}$ cent increase in sales tax.
 - This would generate \$850 million.
 - Sole use of revenues would be for education.
 - Governor cited the Ed Jobs funding sunset is tied to 5,000 Jobs. DPS positions 151 paid from ED Jobs.
 - Does not want education funding to go backwards.
 - Leadership of General Assembly is not supportive of tax increase.

Transportation Services Budget Rating



- **Factor - Students**
 - Actual student riders counted each October.
 - Students counted for 5 consecutive days.
 - Average of the 5 days reported by bus #.
 - Includes all vehicles (buses, parent contracts and other contract vehicles).
 - Student count is updated for the current year and used in the calculation.

Transportation Services Budget Rating



- **Factor - Buses**

- The number of buses operated for the 1st 90 calendar days school are reported to DPI and are used in the calculation (through about January 20 each year).
- Buses used in the calculation are reported from the **prior school year**.

Transportation Services Budget Rating



- **Factor - Expenditures Reported (\$\$\$)**
 - Only allowable expenditures from PRC 56 are tabulated.
 - Expenditures are reported from the prior budget year.
- Non reportable \$s include
 - Bus driver salary over state maximum hourly rate of \$15.10 per hour.
 - Local \$ spent to support non to/from school activities.

Transportation Services Budget Rating



- Factors are adjusted by DPI annually to account for “variables” such as:
 - Amount of money appropriated from the General Assembly.
 - Adjustment of site characteristics
 - Distance to school for students
 - Topography
 - Population density
 - Movement of the “Frontier”

Transportation Services Budget Rating



- Factors Impacting DPS Rating
 - Magnet School routes.
 - 2 tier busing with Full-Time bus drivers.
 - Consolidating stop locations.
 - Use of GPS, TACS and TIMS to improve routing efficiency.
 - EC students generally not mainstreamed.
 - Implementation of cost savings strategies.

Transportation Services Budget Rating



- DPS Budget Rating History**

<u>Year</u>	<u>Budget Rating</u>	<u>State \$\$</u>
➤ 2011/2012	90.88%	\$10,951,636
➤ 2010/2011	85.01%	\$10,783,044
➤ 2009/2010	86.73%	\$10,245,943

Note: Original State Funding as determined by DPI; adjustments for fuel will be down \$300k.

- Local \$ Used**

➤ 2011/2012	*\$2,795,884	*(\$1,200,000 FT)
➤ 2010/2011	\$1,565,291	(\$1,564,890 FT)
➤ 2009/2010	\$1,418,109	(\$1,628,701 FT)

Note: Field Trips include all funds billed/collected (after school, OCS, Title One, Field Trips, Pre-K, etc.)



Why more Local \$\$ this year??

- Increase in Fuel Cost - \$238k over last year
 - Based on average price of \$3.06 per gallon.
 - State Allotment for 2011-12: \$2.51 per gallon.
- Increase in Contract Transportation
 - Up \$573,000 since last year.
- Decrease in "Field Trip" Collections
 - Title One offsets down \$365,000.
- Tire Cost / Mobile Communications / Other
 - Tire cost is up; Mobile Comm. Up (but reimbursable).



What's in store for 2012/13?

- LEA's are aggressively pursuing cost saving strategies which will impact DPS funding.
- DPS funding trend is to become 6.39% less efficient next year resulting in a decrease in state funding of: (\$800,000).
- Deeper cuts in education and transportation loom for next year.
 - LEA's required to fund Tort Claims
 - LEA's required to fund replacement school bus purchase

What Efficiencies Savings Can We Create?



- Continue stop consolidation efforts / literal use of Policy 6400 - \$600,000
- Change bell schedules to allow for 3 tier busing? - \$800,000
- Provide “express” transportation for magnet programs? - \$400,000
- Implement walk zones around schools? - \$3,500,000
- Combine EC & Regular students? - \$320,000
- Use DATA for High School Transportation? - \$300,000
- Continue to provide services as we do now? - \$800,000 reduction in state funding