

**Pupil Transportation Advisory Committee Meeting**  
**Minutes August 13, 2013**

In attendance: Murrell Martin, Wynn Porter, David Roberts, Matt White, Bruce Williams, Dan Ellis, and Craig Carter by phone.

Minutes were reviewed with two items Murrell identified from the last sheet of notes that didn't get typed up with original minutes.

1. The signoff sheet that was developed for the A1 with signatures from the pupil transportation director or supervisor and the business administrator verifying the reporting was accurate to the best of their knowledge and that added and deleted routes were reported.
2. The proposed final cap balancing all miles reported with total odometer miles was set to be reported back to the Committee in August.

Minutes were approved by the committee with the two additional items.

**Reports:** Murrell and Matt reported that the three fall report trainings went well and that there was a webcast and recording link that would be made available to all school districts.

Murrell provided a report on how the legislative audit was going; identifying that the total students transported had become an issue for the auditors and that he and Matt had looked at a few ways to separate the data more accurately. The biggest issue is when there are early outs on Fridays and a separate set of routes that have to be isolated so that the p.m. student counts are not included. They are also carefully looking at Vocational and Extended School Year (ESY) routes to determine if there were duplications of students identified as being transported. Matt is developing formulas to take care of separating the data more accurately.

Murrell reported that the drug and alcohol policy handbooks for drivers and supervisors had been approved by the State Board. Board member James Olsen complimented the committee on the professional way they handled the changes that were requested by the State Board.

Bruce Williams reported that there were still projections of significant increases in availability of public education funding. He also reported that the concept of focusing on pupil transportation funding increases rather than WPU increases as a more acceptable focus for increasing public education funding was being discussed.

Statute for 85% state funding is in place with current gap in state funding at a little over \$20 million. Last year the State Board of Education had a priority of increasing on-going pupil transportation funding by \$20 million starting this year. Bruce will focus on keeping Superintendent Menlove and the State Board updated with the information from the committee.

One-time funding should also be available for consideration for bus replacements and infrastructure. Dave and Bruce are scheduled to meet with Ben Leishman and will give him a copy of the information.

**Discussions:**

**One-time Funding:** Craig identified that any money we can get into pupil transportation helps our public education funding and that more in pupil transportation helps free up other local funds for other uses.

David asked what kind of matching funds would be needed to make it work for school districts.

Craig expressed that he felt the matching funds from the recent EPA grants through Utah Division of Environmental Quality worked well. The funds were \$70,000 directed at "C" conventional buses. A total of 26 buses were purchased through matching funds.

Covering the incremental increase for CNG was also discussed as a possibility.

The fact that the whole state has cut back on bus purchases due to funding cuts was discussed as something that may be good to include in the one-time proposal.

Matt and Murrell identified 453 dirty diesel buses between the years of 1984 and 2001, or the range of 12 to 29 years old.

David expressed that we needed to develop a specific proposal with details of which buses the proposal would remove from the road. The group discussed that it made sense to guarantee to the legislature that the buses would be removed from the road. This would be so that the legislature would feel like they were getting the positive impact to air quality.

Bruce expressed that we need to make sure districts are ready to take advantage of the proposal to replace school buses and are prepared to support the use of the \$10-15 million. A survey of school districts would help support that the funding would be used for bus replacement and infrastructure.

This project would tie in well with 2013 Session Senate Bill 275 from Senator Stuart Adams and the up to \$5 million for infrastructure, but could be available sooner than the funds may be available from S.B. 275. Murrell will check with Cody Stuart, Energy Advisor to Governor Herbert, to see the progress. Craig may be able to get a meeting with Senator Adams to discuss the proposed project. Bruce will bring Superintendent Menlove up to date and make sure he is supportive.

David asked Wynn and Craig how they felt Tooele and Davis would be able to respond to alternative fuel opportunities. Wynn reported that there were no CNG stations in Tooele and that the cost would be incredibly expensive. He said he felt Tooele wanted to be innovative but that it would take assistance with both infrastructure and buses for it to work. Craig reported that back in the early 2000s CNG had maintenance issues, but in recent conversations with Burke Jolley at Jordan they felt it was reliable so Davis would be open to the possibility.

There was a discussion about the need to create an RFP process for all three forms of clean fuel; CNG, propane, and clean EPA diesel buses. Perhaps there would be a priority on CNG and Propane. It was summarized that to affect change it would need to be assistance with both infrastructure and buses. It was also discussed that if districts had assistance up front they would be able to do the math on the back end on fuel savings and see the overall benefit of changing bus types. Wynn reminded the group that we would need to include bus shop

retrofit expenses and be able to address technician training. Bruce added the perspective that if the numbers weren't working for Jordan, Burke would not be doing it.

There was a discussion about a CNG bus costing an extra \$26,000, which is mostly for the CNG tanks. Presently, with 20-year tanks rather than 15, they would cover the full life cycle of a bus. Murrell reported that with the figures Jordan has put together they project enough savings to purchase a new bus over a 20-year life of a CNG bus.

Dave identified that, as we look at it, there are advantages to proposing CNG and propane as priorities, and then clean diesel. It would create new jobs in Utah rather than bringing fuel from outside of the country. If the extra cost of buses and infrastructure for alternative fuels is covered districts can immediately start getting the savings, and that savings can go back into the classrooms.

The fact that bus replacement funding was cut four years ago with a total of over \$44 million was discussed. It was identified that the reason the legislature cut the part of the formula for bus replacement was because they felt districts were not using it to replace buses. The group agreed that it was not used to replace buses for to and from school.

Tooele was discussed as an optimal place for another CNG site as they are 35-40 miles away from one. The Wasatch Front was discussed as possibly having up to 80% of the total state fleet, and the area that could most easily benefit from CNG with most of the rest of the state able to benefit from a propane option.

**Conclusion:** The group discussed that the one-time funding proposal should be put together within the next month, and that it should be done with graphics and enough details to present the message, but no more than two pages.

**On-going Funding:** The group discussed updating the "State Pupil Transportation Funding Impacts 2006 – 2012" chart and identifying it as being prepared at the request of the Pupil Transportation Advisory Committee. This chart identifies a shortfall of \$20.9 million in funding at 85% as of FY2012.

**Report on Proposed Final Funding Cap:** Matt gave a report on a proposal to the committee on balancing the total odometer with the other miles reports including the estimated A1 miles. Bruce expressed that it made sense to cap them, and that districts should not be paid for estimated miles that exceeded what they could possibly do from their odometer reports. He expressed that prior to applying the cap we would want to notify the school districts and give them an opportunity to respond with clarification if they could.

We also discussed that if routes were shortened after the A1 reports were turned in, the odometers would show it and the expenses would also be reduced at the same time. All agreed that it made sense to cap at the highest possible miles a district could document their buses went.

Matt explained how the miles-to-minutes ratio worked to also cap the minutes in ratio with the miles after they were capped. This would adjust the minutes after the miles cap was applied. Bruce clarified that if we found that they over-projected their miles, their minutes would be reduced based on the miles cap and the ratio to minutes. A small district example for a cap was \$170,000 and a large district example was \$466,000 of overestimating. Large district was at 7.71% overestimating.

All other school districts would benefit from the overestimated amounts being put back into the pie. We discussed that being the way it should be to ensure there are no significant overpayments made to school districts for over projecting. Matt reported that school districts that may have been over just a little bit, the increased amounts from larger errors would provide more than enough to balance them out as well.

**Murrell provided a Summary:**

1. Estimated miles and minutes in November 1 reports.
2. Route auditing completed in June.
3. Odometer miles reports in July to balance miles.
4. Reviews with districts on unaccounted miles in August and September.
5. October final adjustments made.
6. Final funding amounts provided to districts in November.

Bruce expressed that if the final funding information came in the “fall update” local districts could make adjustments to budgets as needed. Murrell reminded the group that this would mean we would be updating the average cost per mile and average cost per minute every year, but that it would be done late fall and in time to do the projections each year going into the legislative session.

**Additional Final Cap Implementation Discussion:**

Districts that show an “aberration” in data will also be notified that this also triggers an audit review the next year, and that they need to start looking at where the data errors might be. Districts now have the tools they need to locate the errors.

Matt reported that we have had more districts closer to balancing their total miles with the additional tools they have available to them. That is partly because they are also able to compare data elements with previous year data.

Bruce – Back to the cap, how do we communicate the final cap concept to the school districts before we cap them this year?

The following was identified:

1. We would look at districts with either a 5% unaccounted miles or a total amount estimated in excess of \$50,000.
2. Districts would not be reduced until after we did an audit review that included notification to the district director/supervisor and the business administrator. Each district would be given an opportunity to respond and provide documentation to support errors.
3. An out briefing would be provided to the district prior to capping them, and the Business Administrator would be invited to participate.

Dan provided additional perspectives from his experience with the State Auditor’s Office:

1. Give finding and give opportunity to respond.

2. Two weeks is considered enough time for them to respond.
3. Schedule a follow-up the next year to verify progress has been made.
4. Plus or minus 5% is usually not considered enough to conduct an audit unless the estimated amounts are considered material.

There was a group discussion of \$50,000 being a good amount for triggering an audit review for pupil transportation in the state of Utah. David identified that it is good for us to use Dan as consulting for structuring the auditing processes.

**Strategy:**

Murrell and Matt will prepare a one-page summary of advisory committee changes to be sent out to the business administrators and transportation directors. This will be put out to a committee vote prior to being provided to the BAs and transportation directors.

The advisory committee should meet again on October 10, 2013, here at the USOE from 9:00 a.m. until Noon. Items to finalize:

- a. Approval of the final cap formula adjustments for this year due to unaccounted miles audits.
- b. Determine if the final cap will apply beginning next year to all miles in excess of the total odometer miles even if the amounts are less than 5% or \$50,000.
- c. Determine if we should wait each year to update the average cost per mile and average cost per minute after the AFRs have been turned in and reviewed.

Following approval from the advisory committee, the changes will be presented to UASBO on October 25, 2013. The changes will be forwarded to the pupil transportation directors and supervisors after the meeting. Due to the schedule of the A1 and Schedule B reports due November 1<sup>st</sup>, a meeting for transportation directors and supervisors will not be held until later in November.

Final cap adjustments will be made for this year by early November so that the final adjustments can be made part of the fall updates.

Other Items: Wynn brought up that the Blood-borne Pathogen unit should be able to go on-line as an option as soon as possible. Murrell reported that the pilot had been completed and as soon as a host site could be worked out it could be made available as an option.

Meeting was dismissed.