



Office of Superintendent of Public Instruction  
Chris Reykdal, State Superintendent

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REPORT TO THE LEGISLATURE

# UPDATE: School Transportation Efficiency

2018

Authorizing legislation: [RCW 28A.160.117](#)

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## Executive Summary

In September 2011, Washington state adopted a new student transportation evaluation system. The goal of the system, being part of the transportation funding system, is to encourage school districts to operate as efficiently as possible.

The Office of Superintendent of Public Instruction (OSPI) uses a statistical process to determine relative efficiency ratings. The process sets a target for transportation expenditures and the number of buses operated. The results show a majority of school districts are operating above 90 percent efficiency.

Regional Transportation Coordinators (RTCs) conduct efficiency reviews of districts whose efficiency ratings are less than 90 percent. This is the sixth year of the RTC efficiency review process. The RTCs conducted reviews on 61 school districts in 2017–18. Sixty-one districts rated less than 90 percent, which is 13 fewer than last year. Of these 61 districts, 15 districts were not reviewed in 2016–17. Of the 74 districts rated less than 90 percent last year, 28 increased their efficiency rating to above 90 percent. Seventeen districts below 90 percent in 2016–17 increased their efficiency rating to 100 percent.

In addition to the efficiency reviews, OSPI analyzes districts using three Key Performance Indicators (KPIs):

- 1) Basic student average load,
- 2) Special education student average load, and
- 3) Cost per student.

Several large school districts are in the planning stages of restructuring school bell times. Some of these districts are attempting to provide improvement in efficiency.

## Background

The 2009 Washington State Legislature adopted the current student transportation funding system. The Student Transportation Allocation Reporting System (STARS) was implemented in September of 2011. An efficiency evaluation system of school district transportation operations was requested for all districts with an efficiency rating of 90 percent or less. The evaluation system is intended to encourage school districts to operate their student transportation systems in a manner that makes efficient use of state resources. Regional Transportation Coordinators (RTCs) are required to conduct efficiency reviews of those districts whose efficiency ratings are less than 90 percent.

The statistical system used to create the efficiency ratings, known as the Target Resource Model (TRM), was developed by Management Partnership Services—a consultant hired by the Office of Financial Management to provide options for a new student transportation funding methodology. The TRM creates a statistical “target district” based on actual school districts across the state that have environmental features, size characteristics, and workload requirements that are the same or more challenging compared to the district being measured. The target district establishes the expected resource requirements (expenditures and number of buses) needed to achieve a 100 percent efficiency score. Districts are compared to their target districts to compute their efficiency scores.

The calculation of the efficiency ratings requires actual district expenditure data, which is available for the prior school year in late December of each year. The efficiency ratings are released in early March and are available on the STARS page of the OSPI website. Also available for download are the RTC efficiency reviews and the KPIs that consist of basic riders per bus, special riders per bus, and the cost per rider for the complete district ridership reports.

## Update Status

The Regional Transportation Coordinators are required to evaluate all districts below 90 percent. This evaluation is completed through three different review processes. The first is for those districts whose rating is below 90 percent for the first time. The second review is for those districts whose prior year and current year efficiency ratings are below 90 percent. The third review is used for those school districts whose prior year rating is below 90 percent but the current year rating is above 90 percent.

**Table 1: Summary of School Districts Subject to Review**

| Districts qualifying for review by year                                       | Total |
|---|-------|
| 2016–17 rating <90%   | 61    |
| Below 90% for first year  | 15    |
| 2015–16 rating is below 90 percent but the 2016–17 rating is above 90 percent | 28    |
| 2015–16 efficiency ratings below 90 percent                                   | 74    |

## Review Process

The initial review process for school districts whose efficiency rating is below 90 percent for the first time include a written survey of transportation operations, an onsite Regional Transportation Coordinator (RTC) visit discussing the results of the survey, and a review of the final RTC report. The survey allows districts to provide information regarding their transportation operations prior to the initial meeting between the RTC and district staff. As a result, meetings are able to focus on substance instead of gathering background information. After the in-person meeting, additional contact is primarily through email. The RTC drafts descriptions and comments regarding district operations and possibilities for improving efficiency. The RTC then emails the report to district staff for response.

For districts that remain below 90 percent efficiency for multiple years, the process of the review is modified as necessary to maximize the effective use of staff time. Many small school districts will never be able to achieve a rating above 90 percent due to their unique characteristics. For example, where the district's single school is located in the middle of a stretch of highway, the Target Resource Model may indicate a single bus would be the most efficient means for providing the transportation. However, using a single bus would result in excessive ride times for students. For these districts, the review process typically consists of a phone call or email exchange to identify any changes in operations. For larger school districts with more complex transportation operations, onsite visits are usually more productive.

The primary audience for the efficiency reports is school district administrative staff, local school board directors, and interested members of the community.

The Office of Superintendent of Public Instruction and RTCs also generate Key Performance Indicators (KPIs) as an alternate measure of efficiency that compares district transportation operations in three categories:

- 1) The number of basic program students per basic program bus,
- 2) The number of special education students per special education bus, and
- 3) The cost per student transported.

While KPIs have some of the same weaknesses of the statistical rating process, they provide a comparison of a district's operational performance using everyday concepts. The last three annual statewide KPIs are provided in Tables 4, 5, and 6 and show the expected ability of larger districts to take advantage of economy of scale not available to small districts. A customized KPI report was generated for each school district regardless of efficiency rating to encourage districts with efficiency ratings of 100 percent to evaluate how they compare to similar sized districts. These reports are also available on the STARS page.

The March 2018 rating resulted in 195 school districts (68.66 percent) rated at 100 percent and 61 districts rated at less than 90 percent. For a year-to-year comparison of the distribution of school

district efficiency ratings, see Table 2. There was a decrease in the number of districts rated 100 percent and an increase in the number of districts rated between 90 percent and 100 percent.

Due to several school districts operating transportation services for neighboring districts or operating as transportation cooperatives, there were 284 districts included in the efficiency rating process.

## **Factors Impacting Efficiency**

Many school districts reported changes in operations to increase efficiency. These changes ranged from consolidation of school bus routes to changing bell times. A number of larger districts indicated they are in the process of implementing future bell time changes to provide multi-tiered routing of school buses. For large districts, restructuring bell times is typically a multi-year process.

Perhaps the most difficult circumstance to explain is when a district increases the average student load and cuts costs by consolidating bus routes, yet its latest rating shows a decrease in efficiency. The reverse has also occurred, in which a district increases costs and the efficiency rating increases. These factors change because other districts within their quartile may have made other changes that affect all in that quartile. It is cases like these where referring to the KPIs is particularly useful.

Table 3 indicates the combined student counts for each quartile.

Tables 4, 5, and 6 provide the statewide Key Performance Indicators for the 2014–15, 2015–16, and 2016–17 school years. There were only slight changes in any of the values. The comparison of year-to-year values is more productive at the individual school district level.

School districts remain susceptible to having their efficiency ratings drop due to one-time costs such as rebuilding a diesel engine (for a small district) or implementing a technology system. Ideally, districts should make these implementation decisions based on the impact on student safety and long-range efficiencies, not the impact of the expenditure on their efficiency rating.

## **Conclusion and Next Steps**

The Key Performance Indicators (KPIs) are useful tools that are easier to comprehend than the Target Resource Model (TRM), and can indicate relative efficiency, particularly for districts for which the TRM produces efficiency ratings of 100 percent. The KPIs tend to provide a more accurate insight into the actual behavior in the district.

For the 2017–19 biennium, the Legislature provided the authority to promote regional transportation of students experiencing homelessness as required by the McKinney-Vento Act, and the Office of Superintendent of Public Instruction (OSPI) will evaluate the outcome of those efforts to identify

opportunities for improvement. The Legislature also provided funding to procure a consultant to review the current funding formula and the efficiency rating system. Based on the consultant’s report, OSPI will make recommendations for potential improvements to the system.

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**Table 2: Distribution of District Efficiency Ratings**

| Efficiency Rating | 2016 | 2017 | 2018 |
|-------------------|------|------|------|
| 100%              | 182  | 180  | 195  |
| 90–99.9%          | 26   | 30   | 28   |
| 80–89.9%          | 29   | 32   | 26   |
| 70–79.9%          | 24   | 27   | 23   |
| 60–69.9%          | 18   | 12   | 5    |
| Less than 60%     | 6    | 3    | 7    |

**Table 3: 2016–17 Efficiency Quartiles by Combined AM + PM Student Count**

|              | Minimum Student Count | Maximum Student Count |
|--------------|-----------------------|-----------------------|
| 1st Quartile | 9                     | 227                   |
| 2nd Quartile | 228                   | 753                   |
| 3rd Quartile | 754                   | 3172                  |
| 4th Quartile | 3173                  | 12940                 |

**Table 4: 2014–15 Key Performance Indicators by Efficiency Quartiles (riders per bus is one half of combined AM + PM student count)**

|              | KPI: Basic Program Riders per Basic Program Bus | KPI: Special Program Riders per Special Program Bus | KPI: Cost per Student |
|--------------|---|---|-----------------------|
| 1st Quartile | 20  | 1   | \$2,713.36            |
| 2nd Quartile | 39  | 3   | \$1,333.86            |
| 3rd Quartile | 59  | 8   | \$1,078.22            |
| 4th Quartile | 86  | 9   | \$1,068.40            |

**Table 5: 2015–16 Key Performance Indicators by Efficiency Quartiles (riders per bus is one half of combined AM + PM student count)**

|                     | <b>KPI: Basic Program Riders per Basic Program Bus</b> | <b>KPI: Special Program Riders per Special Program Bus</b> | <b>KPI: Cost per Student</b> |
|---------------------|--|--|------------------------------|
| <b>1st Quartile</b> | 20   | 1  | \$2,671.74                   |
| <b>2nd Quartile</b> | 39   | 3  | \$1,380.15                   |
| <b>3rd Quartile</b> | 60   | 8  | \$1,124.80                   |
| <b>4th Quartile</b> | 83   | 8  | \$1,106.70                   |

**Table 6: 2016–17 Key Performance Indicators by Efficiency Quartiles (riders per bus is one half of combined AM + PM student count)**

|                     | <b>KPI: Basic Program Riders per Basic Program Bus</b> | <b>KPI: Special Program Riders per Special Program Bus</b> | <b>KPI: Cost per Student</b> |
|---------------------|--|--|------------------------------|
| <b>1st Quartile</b> | 21   | 1  | \$2,704.05                   |
| <b>2nd Quartile</b> | 39   | 3  | \$1,420.57                   |
| <b>3rd Quartile</b> | 61   | 8  | \$1,185.78                   |
| <b>4th Quartile</b> | 83   | 9  | \$1,182.55                   |





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