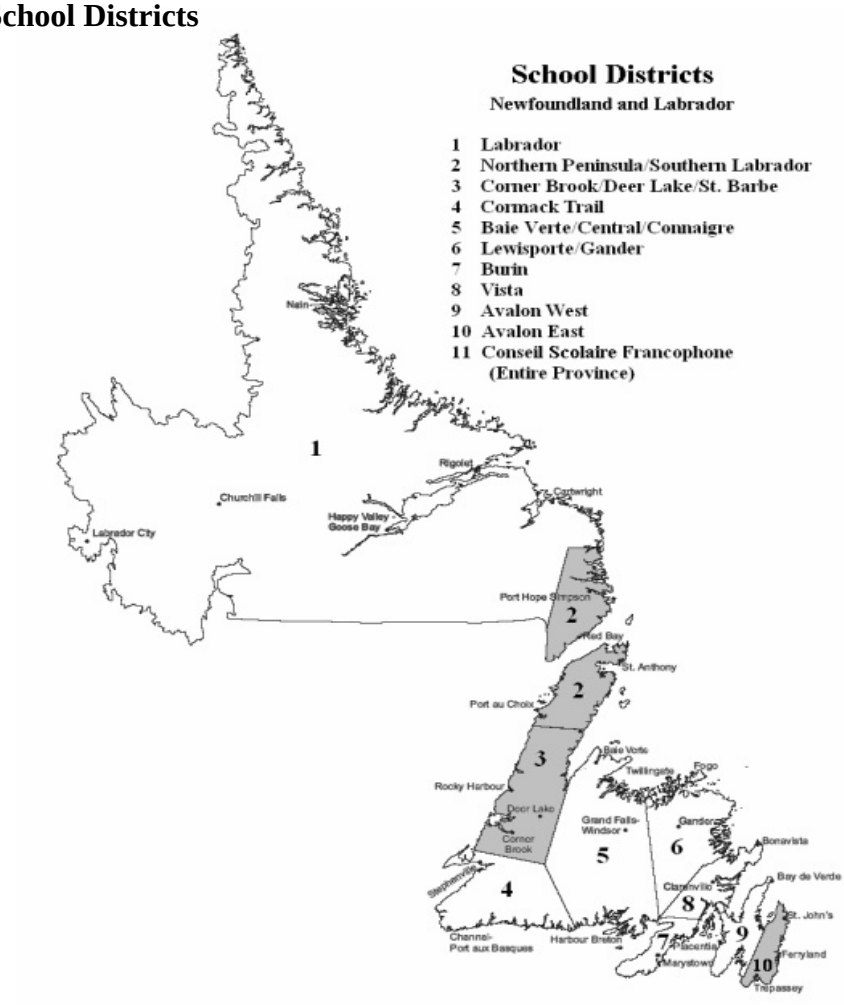
2.12 Student Transportation

Introduction

At 31 March 2003, there were approximately 84,000 students enrolled in schools in the Province of Newfoundland and Labrador, of which an estimated 57,000 were transported by school buses. These students are transported over a total of about 37,000 kilometers each day. Under the *Schools Act, 1997,* school boards are required to arrange for the transportation of students to and from schools where deemed necessary. The boards are required to ensure that all vehicles engaged to carry students are in good mechanical condition and have adequate liability insurance. As well, the school boards are required to ensure that an appropriate school bus safety program is offered to students who are transported by bus. Included in the operating costs of school boards are expenses related to student transportation such as payments to private contractors for school buses to transport students and/or the operating of school board run bus programs to transport students. At the time of our review, there were 11 school boards operating in our Province. The related 11 school districts are shown in Figure 1.

Figure 1

Provincial School Districts



2.12 Student Transportation

Funding for the operation of school boards in the Province is provided in the form of grants from the Department of Education. The Minister of Education has the authority to issue policy directives to the school boards which would include directives pertaining to the transportation of students to and from schools. Consequently, through budgetary, policy setting and monitoring processes, the Department of Education has a shared responsibility with the school boards for student transportation in the Province.

Student transportation may be provided by school boards, private contractors or a combination thereof. Board operated systems use their own school buses with drivers who are employees of the board. Private contractors provide the buses and drivers. Of the 11 school districts in the Province, 4 districts use only private contracted services, 2 districts use only board-owned and operated buses, while 5 districts use a combination of both.

In July 2001, the Minister of Education issued a directive "*School Bus Transportation Policies"* setting conditions under which funding is provided to school boards and the general operating perimeters for school bus transportation services to students attending primary, elementary and secondary schools. The directive provided for grants to fund board-owned and private owned busing systems with a number of related conditions and operating requirements. These conditions included such things as: a minimum distance of 1.6 kilometers from a school for busing, the approval of private contracts by the Department of Education, a 14 year maximum age limit for school buses, a school bus safety program, the tendering of private contracts in accordance with the *Public Tender Act*, and that all vehicles used for student transportation conform to the requirements of the *Highway Traffic Act* and Canadian Standards Association standards.

Standards for all drivers and vehicles in our Province are contained in various regulations under the *Highway Traffic Act* such as the *Highway Traffic Driver Regulations*, *Bus Regulations*, *Vehicle Regulations*, *Commercial Vehicle Maintenance Standards Regulations* and *Official Inspection Station Regulations.*

At the time of our review there were 11 school boards operating in the Province. Subsequent to our audit, the Province established a new governance structure which consolidated the existing 11 school boards, effective 1 September 2004. Under the new board structure, there are 5 boards: the Labrador School Board; the Western School Board; the Central School Board; the Eastern School Board; and the Conseil Scolaire Francophone Provincial.

2.12 Student Transportation

Scope and Objectives

We completed a review of student transportation in March 2004. The objectives of our review were to:

- review student transportation costs in the Province;
- determine whether there are adequate systems and practices in place for the safe transportation of students; and
- to ensure compliance with legislative responsibilities.

In addition to a review at the Department of Education, we also reviewed matters pertaining to student transportation in District # 2 Northern Peninsula/Labrador South School Board, District # 3 Corner Brook-Deer Lake-St. Barbe School Board, and District # 10- Avalon East School Board.

Conclusions

Under the *Schools Act, 1997,* school boards are required to arrange for the transportation of students to and from schools where deemed necessary. The boards are required to ensure that all vehicles engaged to carry students are in good mechanical condition and have adequate liability insurance. As well, the school boards are required to ensure that an appropriate bus safety program is offered to students who are transported by bus.

Department of Education officials indicated that a number of years ago a decision was made in certain school districts to have board-owned buses. The reason given at that time was that it was believed to be cheaper for the board to operate their own buses rather than contract out student transportation to private contractors. This has since been proven to not be the case. Budget information shows that the average cost to operate board-owned buses during the 2003-04 school year was $44,069 versus $30,024 for contracted buses. 350 or 34% of all licensed buses are owned by school boards. Furthermore, a financial report issued by Government in January 2004 indicated that approximately one third of board-owned buses (i.e. approximately 120 buses) will have to be replaced over the next 3 years. Officials indicated that a new bus costs approximately $80,000. This would equate to approximately $9.6 million.

2.12 Student Transportation

There are no standards specific to school bus drivers included in legislation under the *Schools Act, 1997* in this Province and there is no current policy direction from the Department of Education setting out the employment and training requirements for school bus drivers. Furthermore, the Department of Education does not require the school boards to check for criminal records of all bus drivers. We found that a bus driver in the Avalon East School District who had a number of convictions for such matters as multiple impaired driving charges, multiple break and enter charges and multiple theft charges, was not prevented from driving a school bus.

We identified a situation at the Avalon East School Board where irregularities in the bus contract tendering process resulted in the board paying $1.8 million more annually than in the previous years' contract. Department of Education officials indicated that this issue was being reviewed, in consultation with Treasury Board Secretariat and the Department of Justice.

Findings and Recommendations

Student Transportation Costs

Declining student enrolment in past years has partially driven changes in the number of schools that are operating in the Province. In many cases, schools have been closed and students are bussed to a neighbouring school. Some increase in transportation costs can be attributed to this as fewer students can walk to school. Officials indicated that other factors which impact on student transportation costs are increases in salaries and benefits for school bus drivers, an increase in direct costs such as fuel and insurance, and an increase in the requirement for safety features on the school bus.

A summary of student enrolment and student transportation costs by school district for the school years ended 30 June 1999 to 30 June 2003 is included in Figure 2.

Figure 2

Student Transportation Cost
By School Year and District
30 June
($000s)

School District		1999	2000	2001	2002	2003
Student enrolment		97,401	93,957	90,167	86,898	84,268
School District						
1	Labrador	$ 1,571	$ 1,761	$ 1,775	$ 1,567	$ 1,998
2	Northern Peninsula / Southern Labrador	1,313	1,388	1,420	1,517	1,461
3	Corner Brook / Deer Lake / St. Barbe	2,424	2,418	2,632	2,741	2,796
4	Cormack Trail	1,901	1,880	1,923	1,959	2,062
5	Baie Verte/ Central/ Connaigre	2,861	2,885	3,034	2,987	3,331
6	Lewisporte / Gander	3,593	3,808	4,015	3,751	4,576
7	Burin Peninsula	1,964	2,193	2,241	2,435	2,417
8	Vista	1,840	1,880	1,862	1,741	1,794
9	Avalon West	3,941	3,780	3,745	3,931	4,015
10	Avalon East	6,438	4,810	5,060	6,485	6,740
11	Conseil Scolaire Francophone Provincial	148	156	140	175	201
		$ 27,994	$ 26,959	$ 27,847	$ 29,289	$ 31,391
Breakdown by system:						
	Board-owned system	$ 10,967	$ 11,763	$ 12,530	$ 12,248	$ 13,875
	Private contract	17,027	15,196	15,317	17,041	17,516
		$ 27,994	$ 26,959	$ 27,847	$ 29,289	$ 31,391

Sources: School Board Financial Statements/ Department of Education statistics

Our review of the information included in Figure 2 indicated the following:

- Although student enrolment has declined over the past number of years, student transportation costs are increasing. In the 1998-99 school year, the total cost of student transportation was $28.0 million whereas total student transportation costs for the 2002-03 school year had increased to $31.4 million. This is an increase of $3.4 million or 12.1% in five years, while student enrolment has decreased by 13,133 or 13.5% during this same period.

  Furthermore, the Department of Education has budgeted student transportation costs for the 2003-04 school year at $33.6 million which results in a further increase of $2.2 million over the 2002-03 school year.

- Of the $3.4 million increase in student transportation costs over the last five years, $2.9 million relates to increases in board-owned busing costs whereas only $0.5 million of the increase relates to private contracts. Officials of the Department of Education indicated that a number of years ago a decision was made in certain school districts to have board-owned buses. The reason given at that time was that it was believed to be cheaper for the board to operate their own buses rather than contract out student transportation to private contractors. This has since been proven to not be the case.

  In fact, the cost to operate a board-owned bus is generally higher than that of a contracted bus. Budget information provided by officials of the Department of Education for the 2003-04 school year, shows that the average budgeted cost per board-owned bus is $44,069, while the average budgeted cost per contracted bus is $30,024 a difference of $14,045 per bus. Reasons for this difference would include a higher salary rate and benefits received by school board workers (e.g. drivers, mechanics), and the total distance for bus runs serviced by board-owned busing each day is much higher at 26,031 kilometers versus 10,588 kilometers for bus runs in areas serviced by private contractors.

Another significant contributing factor to the higher costs of operating school board buses relates to the fact that the boards have newer buses than the private contractors. We obtained license information on school buses from the registration system of the Motor Registration Division (MRD) of the Department of Government Services. Figure 3 summarizes licensed school buses by model year and also provides a breakdown on the number of board-owned buses and private owned buses.

Figure 3

Licensed School Buses by Model Year
30 September 2003

Model Year	Total	Total %	Ownership Breakdown			
			Board-owned	%	Private	%
1988	3	0.29%	0	0.00%	3	0.29%
1989	10	0.96%	3	0.29%	7	0.67%
1990	163	15.61%	9	0.86%	154	14.75%
1991	213	20.40%	55	5.27%	158	15.13%
1992	227	21.74%	53	5.07%	174	16.67%
1993	123	11.78%	26	2.49%	97	9.29%
1994	49	4.69%	0	0.00%	49	4.69%
1995	27	2.59%	5	0.48%	22	2.11%
1996	6	0.57%	1	0.09%	5	0.48%
1997	42	4.02%	33	3.16%	9	0.86%
1998	9	0.87%	4	0.38%	5	0.48%
1999	44	4.21%	40	3.83%	4	0.38%
2000	42	4.02%	42	4.02%	0	0.00%
2001	39	3.74%	39	3.74%	0	0.00%
2002	16	1.53%	15	1.44%	1	0.09%
2003	22	2.11%	20	1.92%	2	0.19%
2004	9	0.87%	5	0.49%	4	0.39%
Total	1,044	100.00%	350	33.53%	694	66.47%

Source: MRD School Bus Inspection Reports 30 September 2003

As Figure 3 shows, there were 1,044 licensed school buses in the Province at 30 September 2003 and school boards own the majority of the newer buses. Details relating to these 1,044 are as follows:

- 694 (66%) of the 1,044 buses licensed in the Province are owned by private contractors while only 350 (34%) are board-owned.

- 739 (70%) were 1993 model year or older. 593 (80%) of these buses were owned by private contractors while the remaining 146 (20%) were board-owned.

- 128 (12%) were 2000 model year or newer. 121 (95%) of these buses were board-owned buses and only 7 (5%) were owned by private contractors.

- The average age of all licensed school buses was 11 years. The average age of board-owned buses was 7 years while the average age for buses owned by private contractors was 12 years.

- A financial report issued by Government in January 2004 indicated that approximately one third of board-owned buses (i.e. approximately 120 buses) will have to be replaced over the next 3 years. Officials indicated that a new bus costs approximately $80,000. This would equate to approximately $9.6 million.

Student Transportation Systems

The Department of Education is responsible for maintaining a liaison with the School Boards in the interpretation and application of Departmental policies on student transportation. There are two types of student transportation provided by the 11 school boards in this Province. There are board-operated systems where the school board owns and operates a fleet of buses. The buses are purchased and maintained by the board and the drivers are employees of the board. There are also busing services provided to a school board by a private contractor who owns and operates the school bus. Generally the student transportation service is tendered and a contract is awarded for a period of three years. The contract may be extended for an additional period upon agreement by both parties.

Of the 11 school districts in the Province, 4 districts (districts # 4,9,10 and 11) use only contracted services for student transportation, 2 districts (districts #1 and 7) use only board-owned fleets, while the remaining 5 (districts # 2,3,5,6 and 8) use a combination of board-owned and contracted services to provide transportation to the students in their district.

1. Student Transportation Policy and Procedures

To ensure the safety of the Province's school children, it is vital that there be sound systems and practices in place for student transportation. In order to identify and assess the systems and practices in place, we performed reviews of matters pertaining to student transportation at the Department of Education and in District # 2 Northern Peninsula/Labrador South School Board, District # 3 Corner Brook-Deer Lake-St. Barbe School Board, and District # 10- Avalon East School Board. Our review indicated the following:

- Only the Northern Peninsula/Labrador South School District had detailed policy and procedures in place governing student transportation.

- Officials in the Corner Brook-Deer Lake-St. Barbe School District and the Avalon East School District indicated that they were in the process of developing student transportation policy and procedures.

A district policy and procedures manual would serve to outline the responsibilities of the various parties involved with the transportation of students including the students, parents/guardians, bus drivers, and school principals and staff.

2. Driver Employment Standards and Training

Driver employment standards and training are necessary to ensure the safety of school children riding in the Province's school buses. These standards and training are designed to address such areas as valid licence, appropriate driving record, knowledge of school bus safety, how to deal with inappropriate child behaviour, defensive driving training, and first aid certification.

(i) Driver Employment Standards

Our review indicated the following:

- There are no standards specific to school bus drivers included in legislation under the *Schools Act, 1997* in this Province. Also, there is no current policy direction from the Department of Education setting out the employment and training requirements for school bus drivers. There was a manual issued by the Department in 1987 relating to employment standards for all school bus drivers; however, it is out of date and not used. The 1987 manual outlines requirements for bus drivers which include: a minimum age of 18 years; one year's driving experience; a medical certificate of physical fitness; a valid license (pass written exam and oral test); and a knowledge of bus and equipment maintenance, safety and passenger control.

- The only requirement in school board contracts is for the contractor to provide drivers who are "…of good character, capable, sober and reliable…" and that school bus drivers have a driver's license necessary to operate a school bus.

- The Department of Education does not currently require the school boards to check for criminal records of all bus drivers. However, we were informed that many boards do obtain a certificate of conduct before bus drivers are hired. During our review of the Northern Peninsula/Labrador South School District we found that the Board did not obtain a certificate of conduct for its bus drivers while in the Avalon East School District and the Corner Brook-Deer Lake-St. Barbe School District, the Boards do require certificates of conduct.

  The Department has not provided any guidance as to what would constitute an unacceptable criminal record. Therefore, inconsistencies may exist as to what a Board would consider as an unacceptable criminal record. For example, we found that a bus driver at the Avalon East School Board had a number of convictions for such matters as multiple impaired driving charges, multiple break and enter charges and multiple theft charges who was not prevented from driving a school bus.

- Figure 4 contains information on selected school bus driver requirements in Canada including first aid training, a criminal record check, a driving record check and a medical certificate.

Figure 4

Canadian School Bus Driver Requirements 2004

Jurisdiction	Criminal Record Check	Driving Record Check	Medical Certificate	First Aid Certificate
Newfoundland and Labrador	No	Yes	Yes	No
New Brunswick	Yes	Yes	Yes	Yes
Prince Edward Island	Yes	Yes	Yes	Yes
Nova Scotia	Yes	Yes	Yes	Yes
Quebec	Yes	Yes	Yes	No
Ontario	Yes	Yes	Yes	No
Manitoba	No	Yes	Yes	No
Alberta	No	No	Yes	No
Saskatchewan	No	No	Yes	No
British Columbia	Yes	Yes	Yes	No
Yukon	Yes	Yes	Yes	Yes

Source: Survey obtained from the Department of Education

The survey indicates that while most jurisdictions in Canada require a criminal record check, our Province does not.

(ii) Driver Training

Our review indicated the following:

- Neither the Department of Education nor the three school boards reviewed have established continuing education/training requirements for school bus drivers. Officials of the Department of Education were aware that some school boards do offer courses such as the Newfoundland and Labrador Safety Council's bus driver course and first aid periodically.

- We found that formal driver training programs at the three school boards reviewed varied as follows:

  - In the case of the Avalon East School Board, which contracts out all of its student transportation, the Board was not aware of any formal training being provided by the contractors. Individual contractors may provide training to their drivers; however, the Board was not aware of the frequency and extent. Furthermore, we were informed that the Board does not offer its own training due to a lack of available funding from the Department of Education.

  - There was no evidence of any formal training provided to school bus drivers at the Northern Peninsula/Labrador South School District.

  - The only formal training provided to school bus drivers at the Corner Brook-Deer Lake-St. Barbe School District is a first aid program; however, two of the board's school bus drivers had not attended the latest training session and therefore had not maintained their certification for first aid.

3. Route Planning

In order to identify the appropriate number and types of vehicles required for student transportation, it is necessary for the boards to know the number and ages of students which require busing. Based upon this information, route planning can then occur.

2.12 Student Transportation

Route planning involves taking the information available on students requiring transportation and then creating and scheduling bus routes and stops for each school year to accommodate these students. Part of a successful route planning process would involve a regular and consistent monitoring and evaluation process. It is important to know the numbers of students traveling on buses to avoid overcrowding on one hand as well as ensuring that the system remains efficient.

Our review indicated the following:

(i) Training

Although boards review their routing schedules annually, the Department of Education has not provided route planning guides or training to assist Board staff in route planning. Planning guides and training could result in identifying inefficiencies in routing schedules, especially in light of declining student enrolments and the closing and consolidation of schools.

Of the three school districts we reviewed, only the Avalon East School Board had a computerized system to assist in route planning.

(ii) Courtesy Seating

Contrary to the Department of Education's policy to not provide busing to a student living closer than 1.6 kilometer walking distance from their school (courtesy seating), two of the three boards reviewed, Northern Peninsula /Labrador South School District and Corner Brook-Deer Lake-St. Barbe School District, do provide this service.

We were informed by officials of the Avalon East School District that, commencing in the 2003-04 school year, the District ceased providing this service. Therefore, not all students in the Province are being treated in the same manner with respect to courtesy seating as outlined in the Department of Education policy. Officials at the Department of Education were of the opinion that all school boards were providing courtesy seating, contrary to the Department's official policy.

4. School Bus Safety Training

School Bus Transportation Policies were issued in July 2001 by the Minister of Education under the authority of the *Schools Act, 1997*. They require that school boards, as a condition for funding of student transportation, introduce a school bus safety program which would include but not be limited to class room instruction related to school bus safety, school bus boarding and unloading drills, where necessary instruction of drivers in good driving habits and first aid, and supervision of loading and unloading of school buses.

None of the three school districts we reviewed had the required school bus safety program in place. Individual schools and school bus contractors may offer school bus safety training periodically; however, this training is not part of a school board program. In the case of the Corner Brook-Deer Lake-St. Barbe School District we were informed that there had been a program in place but that it had been discontinued for quite some time.

Compliance with the *Public Tender Act*

School boards are required to invite public tenders prior to entering into a school bus contract in accordance with the *Public Tender Act.* The *Public Tender Act* requires the Boards to invite tenders where the cost of goods and services is more than $10,000. The *Act* provides exceptions where tenders may not be required to be invited and in these cases the Minister of Government Services must be informed. The Minister in turn will table a report in the House of Assembly.

We reviewed school bus contract tendering practices at three school districts and found the following.

(i) Avalon East School District

During our review, we identified a situation where irregularities in the bus contract tendering process resulted in the Board paying $1.8 million more annually than in the previous years' contract. Details are as follows:

- A tender closed on 18 July 2003 for a three-year busing contract to commence in September 2003. For 9 of the contracts tendered, the Board received only a single bid, all from the same company (comprised of the owners of private busing companies who had bid separately on prior years' contracts).

- The Department of Education did not approve the awarding of the 9 contracts because: if bids on these 9 contracts had been accepted, student transportation costs would have increased by a total of $5.4 million over the three year life of the contracts ($1.8 million per year); and the bids submitted by the new company effectively eliminated all competition.

- On 24 July 2003, the Board was instructed by the Department to issue a new tender call and to add a clause to the tender indicating that bids would not be accepted from groups of companies. The Board was also instructed to reduce the contract term from three years to two years.

- A tender closed on 8 August 2003 for a three-year busing contract (contrary to the two-year period directed by the Department of Education) to commence in September 2003.

- The Department of Education did not approve the awarding of the contracts because officials had concerns that there may have been communication and/or collusion involved with the bidding process. In addition to a bid from the new company, (the group of companies), which was rejected because it did not meet the tender specifications, another company submitted bids. Department officials expressed concerns that this company had no prior experience in student transportation and that the bid on all the contracts may have been an apparent attempt to create a multiple bid situation. Officials determined that the bids received from this company were set at a consistent amount higher on each route than the original bids received.

- On 12 August 2003, the Department of Education decided to cancel the tender process and have the Board negotiate the contracts with the prior route holder in each case. The Department considered the whole matter as an emergency under an exemption in the *Public Tender Act.*

- On 13 August 2003, officials from the Department and the Board started the negotiation process and on 5 September 2003, just prior to the start of the 2003-04 school year, completed the negotiation and awarded the contracts to the individual bussing companies which had held the prior contracts. The total value of the contracts negotiated was $12.5 million over a three year period ($4.2 million per year) and will result in an increase from prior years' contracts of approximately $5.4 million over the three-year period.

- The Minister of Government Services, and therefore the House of Assembly, was not informed of these exemptions as required by the *Act.*

Department of Education officials indicated that this issue was being reviewed, in consultation with Treasury Board Secretariat and the Department of Justice.

(ii) Corner Brook-Deer Lake-St. Barbe School Board

Details of public tender issues identified at this school board are included in Part 2.7 of this Report.

(iii) Northern Peninsula /Labrador South School District

In all instances reviewed, routes were tendered and the lowest bid was accepted.

Recommendations

The Department of Education, in consultation with the school boards, should:

- *Develop standards for school bus drivers which would assist in determining the acceptability of drivers and ensure that criminal record checks are regularly made to ensure these standards are applied by the school boards on a Province-wide basis.*

- *Develop and provide an appropriate training program for all school bus drivers, students and school board staff.*

Department's Response

- ***Develop standards for school bus drivers which would assist in determining the acceptability of drivers and ensure that criminal record checks are regularly made to ensure these standards are applied by the school board on a Province-wide basis.***

  The department, in consultation with school board officials and personnel in other government departments, will develop policies to ensure that bus operators meet acceptable standards and that character checks are conducted on all bus drivers. These measures will include amending specifications for bus tenders and school board / operator busing contracts. The department has a provincial busing policy in place and we will continue to work with board staff in amending and administering these policies.

- ***Develop and provide an appropriate training program for all school bus drivers, students and school board staff.***

  The department will work with the applicable school board personnel to develop and/or purchase training and safety awareness programs, update the drivers' training manual, conduct in-servicing and purchase other school bus safety materials for distribution to schools.

The Department notes that your report doesn't mention some very key aspects of our school busing service in this province. To demonstrate this, we would like to highlight the following as examples:

- *Board owned and operated systems were established over the years because of situations throughout the province where operators had exclusive bidding rights due to lack of competition; consequently, costs were escalating to the point where, at the time, it was more economical for boards to operate their own systems.*

  It also served as an alternative means to provide the service if contracted service became cost prohibitive. The Department acknowledges that Board owned systems, on average, are more expensive than contracted services and will review options to ensure cost effective services are provided within the parameters imposed by collective agreements.

- *The decline in student population has had minimum positive impact on busing expenditures.*

- *The costing summary included in your report fails to reference that the costs of school busing have increased during the period and will continue to increase due to the uncontrollable price of fuel and insurance. Nor does it mention that costs increased due to implementing K to 12 busing in St. John's.*

- *As contracts are up for tendering, departmental and board personnel review the number of eligible riders, duration of the run, school opening and closing times, etc. It is done first and foremost with student safety in mind and as well, optimizing operating efficiencies and cost effectiveness. For example, between 1998/99 and 1999/2000 school years, the provincial cost of busing dropped by $1.6 million. This was due to the combined efforts of the school boards and the department to optimize operating efficiencies within some school districts. These efforts continue annually.*

- *Although it isn't sanctioned by the department, some school boards do offer courtesy seating to students where space is available and no additional costs are incurred.*

- *School boards are required to comply with the* Public Tender Act *when contracting for school busing services. The Department will continue to work with the school boards to ensue compliance with the legislation.*

- *With respect to the* (irregularities in the bus contract tendering process) *in the former Avalon East School Board, this matter is currently with the Department of Justice for their consideration and advice.*

- *The Department notes that current contracts require the operator to*
  - *a) provide drivers who are of good character, capable, sober and reliable in every aspect and each of whom holds a valid driver's licence;*
  - *b) dismiss immediately any driver who, while operating a bus as part of the transportation service, is found to be under the influence of alcohol or drugs or is guilty of any improper conduct or uses obscene, blasphemous or offensive language;*
  - *c) provide, upon request to the school board a police abstract and/or a certificate of good conduct for any driver designated to operate the school bus.*

The Department and school boards will continue to strive towards maintaining a safe, efficient and cost effective school busing service within the province.

2.12 Student Transportation