



Transportation Cost Reductions

Recommendations for
FY11 & Future Consideration
Based on the TransPar Report to the Board

Board Work Session

April 6, 2010



Introduction

- Transport approximately 74,973 students for FY10
 - General education students: approximately 71,690
 - ESE students: approximately 1,854
 - Alternative education students: approximately 693
 - Magnet students: approximately 736
- Transported approximately 2,975 students during the 08-09 summer for ESY intersession, intervention, or other
- Provide full service for approximately 12,000 curricular and extra-curricular bus trips.



Background

- The Board engaged TransPar, Inc. to conduct a comprehensive review of the Transportation operations.
- The purpose of the review was to analyze policies, procedures, and expenditures associated with transportation for the purpose of reducing expenses and increasing operating efficiency.
- The first status report at tonight's work session will focus on recommendations to reduce costs in FY11.



Context

- According to the TransPar report:
 - OCPS has slightly lower costs per student than other Florida school districts.
 - OCPS has slightly lower costs per student compared to other large districts nationally.
- While OCPS has slightly lower costs than other districts, additional cost savings are possible.
- Continued pursuit of financial efficiencies will need to ensure a balance between cost efficiencies and the level of service desired.



Approach

- TransPar, Inc. provided a comprehensive set of recommendations to reduce costs which could be achieved through two general ways:
 - Cost reduction efficiencies that are generally “transparent” to the customer, and
 - Cost reduction efficiencies that result in a change to the customer experience.
- The recommendation for FY11 is to pursue efficiencies that can be achieved with no, or only minimal, changes to the customer experience.
 - This approach is recommended before service changes are considered.



TransPar Response

- On April 1, 2010, TransPar and OCPS representatives reviewed the FY11 efficiencies contained in this presentation.
- While TransPar and OCPS generally concur with the approach for FY 11, some differences exist.
- For those areas we have included a written statement from TransPar to ensure transparency.



FY11 Savings Summary

Cost Savings Initiative	Estimated Savings
Wage Changes	\$ 0-1,410,000
Reorganization of Transportation	\$ 343,366
Field Trip Collections	\$158,923*
Absenteeism	\$165,000
Overtime	\$190,000
Drivers and Monitors Reductions	\$30,000
Radio Relief Bus Changes	\$3,728,842
Surplus 200 Buses	\$600,000
Bus Inspections	\$99,000
Reduction of Vacant Mechanic Positions	\$90,000
Bus Loading Efficiencies	\$648,000 – 1,296,000

FY 11 Efficiencies	Estimated Savings
Potential Total Savings	\$ 5,894,208 – \$7,952,208

*Not included in total



FY11 Efficiencies

- Efficiency: Wage Changes
 - Recommendations: Reduce non-driving pay and guaranteed hours; and enhance tracking
- Implementation Approach
 - Requires negotiation with OESPA during FY11 to change current process
- FY11 Estimated Savings
 - \$0 and \$1,410,000



FY11 Efficiencies

- Efficiency: Reorganization of Transportation Management
 - Recommendation: Increase Manager Span of Control
- Implementation Approach:
 - Possible reduction of 4 operations positions while maintaining field supervision ratios
 - Reduction of 3 support clerk positions
 - Establish service level metrics in order to consider other changes for FY12
- Estimated Savings
 - \$343,366



FY11 Efficiencies

Comparison of Florida Mega School Districts (2007-2008) Total Managers to Employee Ratio

District	# of Positions with Primarily Supervisory Duties (Operations & Fleet Maintenance)	# of Positions with Primarily Clerical Duties (Operations & Fleet Maintenance)	# of Bus Drivers Includes Substitutes (Permanent & Part-Time)	# of Bus Attendants	# of Technicians & Additional Fleet Maintenance Positions	Supervisor to Employee Ratio (total # employees/ # supervisors)	Buses in Daily Service on FEFP Report
Broward	23	89	1352	270	105	1:75	1225
Hillsborough	26	23	1119	239	67	1:55	978
Lee	25	8	760	154	52	1:39	765
Miami-Dade	62	61	1515	749	146	1:39	1398
Orange	27	50	1198	321	114	1:61	1038
Palm Beach	44	18	684	302	88	1:24	644
Pinellas	29	18	838	450*	66	1:47	704
Polk	22	23	618	176	50	1:38	547



TransPar Response¹

- The compromise proposed is the immediate reduction of four positions. TransPar concurs with an incremental approach to 'right-sizing' the organization.
- As Metric Monitoring is established we believe broader spans of control can be achieved and the organization will eventually reflect our goal.
- Moreover, the number and complexity of initiatives being contemplated will probably be achieved at a faster pace if the organization 'right-sizing' trails the process not lead it.

¹April 5, 2010 Transpar letter responding to OCPS FY11 approach



FY11 Efficiencies

- Recommendation: Field Trips
 - Improve field trip collection process by further automating it, decreasing field trip overtime and establishing costs by programs.
- Implementation Approach
 - Unbilled trips decreased 68% from FY09 through improved documentation and accounting.
 - New field trip program in test phase for FY11
 - Create separate budget line items for CBI/CBVE and United Arts trips to account for \$1.23 million.
- Estimated Savings
 - \$158,923*

* Dollar amount is where the funds are charged and accounted, but not actual cost reductions



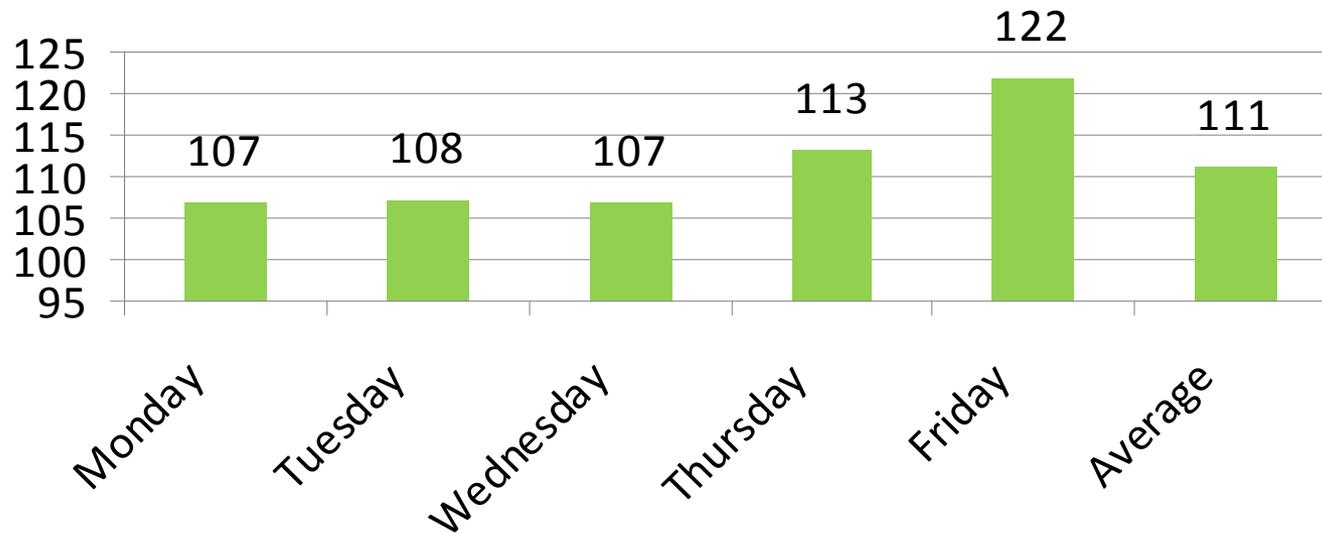
FY11 Efficiencies

- Efficiency: Absenteeism
 - Recommendation: Control when drivers and monitors can take leave to reduce absenteeism.
- Implementation Approach
 - Work closely with OESPA and OCPS Employee Relations Department to revise absenteeism policy/procedures, and to increase attendance
 - Move from current 7.86% to TransPar recommended 5%
- Estimated Savings
 - FY11 target is \$165,000
 - Future decreases in absenteeism will assist to reduce Radio Relief and overtime costs.



Absenteeism By Day of the Week

Driver/Monitor Absences by Day of the Week Transportation FY 2009-'10 YTD





FY11 Efficiencies

- Efficiency: Overtime Reduction
 - Recommendation: Aggressively Manage Overtime
- Implementation Approach
 - Reduction in overtime has been steady: In FY08 it was decreased 11%, in FY09 43%, and projected FY10: 36%
 - Implementation of Field Trip Management System (FTMS) to better identify low-hour drivers, giving us the ability to better distribute work
 - Focus on absenteeism, particularly on Friday spikes, to decrease need for trip coverage that also causes overtime
- Estimated savings
 - 10% reduction or approximately \$190,000



FY11 Efficiencies

- Efficiency: Number of Drivers/Monitors
 - Recommendation: Establish control over driver slots; Determine how many monitors are needed.
- Implementation Approach
 - In FY10 37 driving positions were reduced.
 - An additional 9 positions with a planned program reduction; Examining stop consolidation.
 - Work with HR to reduce the cycle time to hire.
 - Continue Transportation/ESE Working Group to review monitor requirements.
- Estimated Savings
 - \$30,000



TransPar Response¹

- The rate of buses with attendants is 75% or about 100 operated with a driver only.
- We concur that if a goal is adopted and the costs understood, the two departments will begin to achieve savings collaboratively.



FY11 Efficiencies

- Efficiency: Restructure Use of Radio Relief Drivers and Buses
- Implementation Approach
 - Reduce 102 allocated positions to 20
 - Eliminate 11 positions completely
 - Convert 71 driver positions to daily use fleet (Subs)
 - Results in decreasing Radio Relief from 102 to 20 and surplus 71 buses.
 - Future improved performance on staff availability will result in decreasing the 71 daily spare drivers.
- Estimated savings
 - \$3,728,842



FY11 Efficiencies

- Efficiency: Fleet Management Systems
 - Recommendations: Implement computerized fleet management system, comprehensive policies and procedures, and other fleet management initiatives.
 - Establish greater controls over white fleet management
- Implementation Approach
 - Invest in a Fleet Management Software program to improve overall program and maintenance efficiencies, including tracking and performance.
 - Divisions are performing a review of white fleet vehicles to make recommendations for reductions in the coming year.
- Savings Estimated
 - (\$500,000) in costs for fleet management program/system
 - \$TBD based on white fleet reductions identified



FY11 Efficiencies

- Efficiency: Bus Reductions
 - Recommendation: Reduce spare buses to 12% and Radio Relief to 20 buses; Purchase smaller buses and clearly identify out of service buses.
- Implementation Approach
 - Surplus at minimum, 200 older buses
 - No bus purchases planned for FY 11
 - Future bus purchases will be based on population changes and academic program placements and needs
 - Reduce spare ratio to 18% for FY11; We will consider additional reductions in the future.
- Savings Estimated
 - \$600,000 (Based on 200 buses at \$3,000 each)



FY11 Efficiencies

- Efficiency: Facilities
 - Recommendation: Conduct analysis of constructing a garage facility at the Eric Olson compound; Budget to repair bus washes and paint booth; Perform vulnerability assessments and address major risks.
- Implementation Approach
 - Research possibility of performing bus inspections at Magic Way
 - Research costs to repair bus washes and paint booth
 - Assess the return-on-investment (ROI) from reducing deadhead miles from driving to alternate locations.
- Estimated Savings
 - Up to \$99,000 if bus inspections for buses parked at Eric Olson can be conducted at Magic Way
 - (\$355,000) Bus wash and paint booth repair; ROI to be determined



FY11 Efficiencies

- Efficiency: Fleet Personnel
 - Recommendation: Reduce fleet size to eliminate need for mechanics in vacant positions; Increase mechanic starting pay
- Implementation Approach
 - Reduction in fleet size will reduce number of positions needed in FY11 by 3
 - Development of staffing ratios based on industry standard labor investment per bus for preventative maintenance. Along with additional fleet reduction and FMS further reductions may be possible.
 - Work closely with Human Resources to review the wage structure and determine appropriate pay rates.
- Estimated Savings
 - \$90,000 (Reduction of 3 positions).
 - New cost for increased wage is to be determined



FY11 Efficiencies

- Bus Loading, Utilization and Management
 - Recommendation: Manage the number of trip buses, high ESE costs and overall loading efficiency
- Implementation Approach
 - Scheduled senior privilege program elimination will reduce 9 buses \$(648,000)
 - Change from as-needed to mandatory monthly route updates; Referencing TransPar's RouteYield, 9 additional routes may be reduced. \$(648,000)
 - Continue to work with ESE, Pupil Assignment and Office of Choice to consider financial options to balance efficiencies and service levels.
- Estimated Savings
 - \$648,000 - \$1,296,000



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FY11 Recommendation Summary

FY11 Efficiencies	Estimated Savings
Potential Total Savings	\$ 5,894,208 – \$7,952,208

New Costs for FY11	Estimated Costs
Fleet Management System	\$ 500,000
Bus Wash Repair	\$ 300,000
Paint Booth Refurbishment	\$ 55,000
Total New Costs (estimated)	\$855,000

FY11 Net Savings	Estimated Savings
Potential Net Savings	\$ 5,039,208 – \$7,097,208



Future Consideration

- TransPar, Inc. recommendations could be achieved through two general ways:
 - Cost reduction efficiencies that are generally “transparent” to the customer, and
 - Cost reduction efficiencies that result in a change to the customer experience.
- In their March 2010 presentation, TransPar provided scenarios in which OCPS could start conservatively and progress to more far reaching changes.
- The following is a summary of such TransPar recommendations for future consideration.



Future Consideration

Cost Savings Initiative	Estimated Savings*
Increase Ridership Per Trip	\$ 200,000 - \$1,000,000
Increase the Number of Runs Per Bus	\$1,100,000 - \$5,800,000
Change Bell Times	\$1,200,000 - \$4,800,000
Change Length of Day	\$1,200,000 – \$6,000,000

*Savings as Estimated in TransPar Report; May not be mutually exclusive



Conclusion

- TransPar's recommendations will assist OCPS to further reduce costs and improve program management.
- A focus on cost efficiencies is an important step before major changes or reductions in service delivery.
- During the course of FY11 savings estimates will be refined and updates provided to the Board on a regular basis.



Questions