



Memorandum

Date: February 7, 2025
To: Finance and Planning Committee
From: Delta Carmichael, Secretary-Treasurer/CFO
Action Item: **Review of Transportation Fees for the 2025/2026 Fiscal Year**

1.0 ISSUE STATEMENT

Although not mandated by the School Act, the Board of Education supports the operations of a student transportation system for students of Central Okanagan Public Schools. As part of its support for transportation, the Board of Education each year must heavily subsidize the transportation department with approximately \$4.4 million in operating funds that could be directed to classroom support and operations. Each year, the Board of Education reviews the fee that it charges for all students that receive this service.

2.0 RELEVANT BOARD MOTION/DIRECTION

Main 24P-031 (March 13, 2024 Public Board Meeting)

THAT: The Board of Education set the transportation fee to \$450/year for each bus rider for the period effective July 1, 2024 to June 30, 2025.

3.0 BACKGROUND

The Government of British Columbia only provides \$600,000 to the District in transportation funding. As a result, funds from the District's operating fund are used to subsidize the Transportation budget each year. The following outlines the District's decisions to alleviate this subsidy.

Year	Decision
2010/2011	A \$200/year transportation fee was introduced to help offset this shortfall.
2012/2013	Board of Education approved a reduction of the annual fee to \$100/year.
2015/2016	Board of Education voted to increase the annual fee to \$200/year.
2017/2018	Board of Education approved to use the \$600,000 Transportation funding to provide 100% subsidy to eligible bus riders using the historical Ministry of Education guidelines. Non-eligible riders continued to pay the approved Board transportation fee of \$250/year.
2018/2019	Board of Education voted to set the annual fee at \$200/year
2020/2021	Board of Education voted to increase the annual fee to \$300/year.
2022/2023	Board of Education voted to increase the annual fee to \$350/year.
2023/2024	Board of Education voted to increase the annual fee to \$400/year.
2024/2025	Board of Education voted to increase the annual fee to \$450/year.

With the implementation of the revised Regulation 470R – Transportation Services Management (*Regulations*) Guiding Principles for Transportation in Central Okanagan Public Schools (*Appendix A*), the District has implemented new procedures to improve the District's fee collections and has reduced the non-payment rate of fees from 14% in 2019/2020, to 1.5% for the 2023/2024 school year.

4.0 INFORMATION STATEMENT

The following provides a financial analysis of last year's actual results, this year's projected results, and, for consideration, the projected financial results for next year with three (3) proposed options.

	Actual 30-Jun-24	Projected 30-Jun-25	Proposed		
			Option #1 30-Jun-26	Option #2 30-Jun-26	Option #3 30-Jun-26
Paid Riders	4,979	5,317	5,467	5,467	5,467
Unpaid Riders	(119)	(137)	(148)	(148)	(148)
Subsidy Riders	(427)	(527)	(525)	(525)	(525)
	4,433	4,653	4,794	4,794	4,794
Rate	\$ 400	\$ 450	\$ 525	\$ 550	\$ 600
Busing Fees	1,736,824	2,065,365	2,309,235	2,419,199	2,639,126
Busing Funding	600,000	600,000	600,000	600,000	600,000
Total Revenue	2,336,824	2,665,365	2,909,235	3,019,199	3,239,126
Total Operating Costs	(6,634,208)	(7,128,126)	(7,413,251)	(7,413,251)	(7,413,251)
Shortfall	(4,297,384)	(4,462,761)	(4,504,016)	(4,394,052)	(4,174,125)
Operating Funding Supplement	4,297,384	4,462,761	4,504,016	4,394,052	4,174,125
Net	0	0	0	0	0
Additional Information					
Est. Funding Generated Net of Subsidy & Unpaid	279,098	328,541	243,870	353,834	573,761
Annual Fee Per Rider	400	450	525	550	600
Fee Per School Day	2.20	2.46	2.87	3.01	3.28

Per the analysis above, any fee increase would reduce the amount of Operating Funding the District supplements the Transportation Department.

As illustrated above, with a fee increase, the per school day fee ranges from \$2.87/day to \$3.28/day. When calculating the cost to drive a child to and from school (i.e. fuel, vehicle wear and tear, driving time etc.), the above proposed fee increases are well below that daily cost.

Transportation Services has achieved a milestone this school year, recording the highest number of students transported to date. Currently the District transports a total of 5,317 students on 62 regular routes and 14 Inclusive Education routes.

Several key factors have contributed to this increase:

- **Additional Routes:** Over the past four years, six new routes have been added to accommodate growing demand. Transportation Services has added two regular routes and four Inclusive Education routes and now offers service for Inclusive Education students in Peachland. Ridership on Inclusive Education routes has increased from 82 students in 2021, to 183 students in the current year.
- **Route Optimization:** Transportation Services is continually reviewing routes to improve efficiency and when possible, adjustments are made to create additional seat space. Although most bus routes are at full capacity for the middle and secondary school routes, Transportation Services has seen a steady increase in students transported on elementary routes.
- **Waitlisted Students:** There are approximately 7,000 transportation applications processed each year. Historically the department has maintained waitlists of approximately 300 waitlisted students for the middle and secondary school routes. Currently there are 96 students on the waitlist whose application was submitted after the start of the school year.

5.0 SECRETARY-TREASURER/CFO COMMENTS

Per Regulation 425R – Student Fees (*Regulations*), (*Appendix B*), the Board has a financial hardship policy in place to help students who are in financial need. The current rates for transportation are \$450 for the first and second child, and \$225 for the third and fourth child to a maximum of \$1,350 per family, for the year. It is also recommended that the reduced rate be applied as it has in previous years, for families with more than one child. This would result in a maximum of \$1,575 to \$1,800 per family for 2025/2026 (based on the proposed options above).

As well, families have the choice to pay the total transportation fee up front in the fall, or to pay monthly payments throughout the school year.

6.0 OPTIONS FOR ACTION

- a. Recommend Option #1 – increase the transportation fee from \$450/year to \$525/year, for each bus rider for the period effective July 1, 2025 to June 30, 2026.
- b. Recommend Option #2 – increase the transportation fee from \$450/year to \$550/year for each bus rider for the period effective July 1, 2025 to June 30, 2026.
- c. Recommend Option #3 – increase the transportation fee from \$450/year to \$600/year, for each bus rider for the period effective July 1, 2025 to June 30, 2026.
- d. Direct staff for more information.

7.0 STAFF RECOMMENDATION

THAT: The Finance and Planning Committee recommends to the Board one of the following Options:

Option #1

THAT: The Board of Education set the transportation fee at \$525 per year for each bus rider for the period effective July 1, 2025 to June 30, 2026.

Option #2

THAT: The Board of Education set the transportation fee at \$550 per year for each bus rider for the period effective July 1, 2025 to June 30, 2026.

Option #3

THAT: The Board of Education set the transportation fee at \$600 per year for each bus rider for the period effective July 1, 2025 to June 30, 2026.

8.0 APPENDICES

- A. Regulation 470R – Transportation Services Management (*Regulations*) Guiding Principles for Transportation in Central Okanagan Public Schools
- B. Regulation 425R – Student Fees (*Regulations*)