

REPORT FROM THE SUPERINTENDENT

Office of Superintendent of Schools
Board of Education Meeting of November 10, 2011

SUBJECT: **BOARD MONITORING SYSTEM–GOAL 4: INCREASE
MANAGEMENT EFFECTIVENESS AND EFFICIENCY**

At the March 2007 meeting, the Board of Education implemented a revised Board Monitoring System in order to efficiently maintain and measure Houston Independent School District's (HISD) goals and core values. The monitoring system was designed to give district administrators clear direction on how to meet the board's expectations in these crucial areas.

Board Policy AE(LOCAL) requires that “[T]he administration shall report to the Board on each goal and core value using the specific method and timing set out . . .”

In reference to the district's **Goal 4: Increase Management Effectiveness and Efficiency**, the report provides information regarding the objective stating that **Programs and Services Will Be Evaluated for Effectiveness**. This report is intended to provide the three year update of the Transportation administrative system. The policy states that “[T]he District shall have a decentralized organizational structure that will promote autonomy and innovation in schools. With a Districtwide commitment to performance over compliance and a shared accountability system in place, the District shall employ best practices of administrative principles to make optimal use of District resources and taxpayer dollars.”

The attached report provides the information requested for the 2010–2011 school year.



BOARD MONITORING REPORT – TRANSPORTATION SERVICES

Purpose

The Houston Independent School District (HISD) exists to strengthen the social and economic foundation of Houston by assuring its youth the highest-quality elementary and secondary education available anywhere. In fulfilling this goal, HISD's Board of Education has designed a program to systematically monitor the district's goals and core values. The Board Monitoring System will report on each goal and core value on a routine basis. The goal currently under review is **District Goal 4: Increase Management Efficiency and Effectiveness**. What follows is the summary and results of the review of the HISD Transportation Services program.

Overview of Report

In Texas, school bus transportation must be provided for both special needs and homeless students. HISD board policy provides transportation for all students that live two or more miles from their assigned campus. In order to evaluate and measure the performance levels of HISD's transportation services program, three sources of data were used.

- Nationwide data were obtained from the Council of the Great City Schools (CGCS). Composed of 65 large city school districts, CGCS has benchmark data on transportation programs across the nation.
- Year-over-year HISD data were reviewed which included financial, safety, mileage, and student ridership.
- Data were obtained through the Texas Education Agency (TEA) School Transportation Foundation School Program, which regulates transportation service programs within the State.

When evaluating the performance levels of a transportation services program, the State Comptroller's office recommends review of several criteria. Seven of the criteria are as follows (each will be addressed in this report):

1. General fund impact
2. Financial efficiency
3. Safety
4. On time performance
5. Vehicle maintenance plan
6. Green initiatives
7. Employee programs



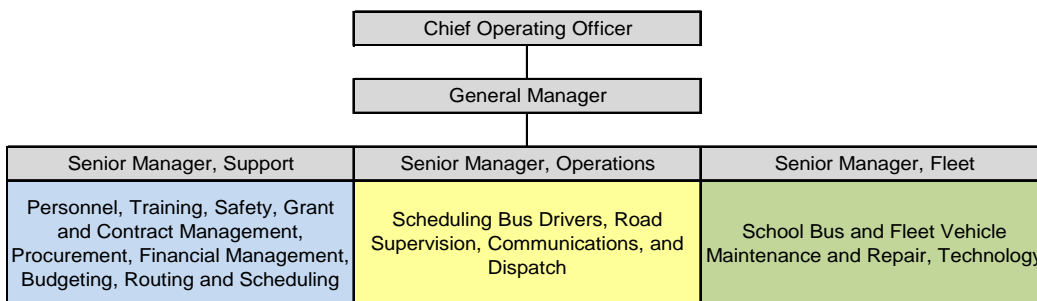
Transportation Services Mission and Brief Facts

The mission of HISD Transportation Services is to provide safe, efficient, and reliable transportation services to the students of HISD, so that they may access the educational and cultural opportunities provided by the district and become productive community members. Briefly, some HISD transportation facts are as follows:

- Approximately 29,000 students ride the bus daily.
- HISD has about 1,000 buses, which travel approximately 13 million miles annually.
- In November 2010, all district buses were converted to bio-diesel fuel, which is made from renewable sources such as soybeans.
- HISD operates more than 15,000 field trips annually.
- In August 2011 HISD became the first school district within the city of Houston and Harris County to operate propane fueled school buses.
- All district buses have cameras and Global Positioning Systems (GPS) that track every movement in real time.
- In the 2010–2011 school year, all buses were equipped with “child safety checks.” When the ignition is turned off, the driver is required to go to the back interior of the bus and push a button; if this button is not pushed, the horn will activate.
- All district school bus drivers receive at least 20 hours of training a year.
- For every \$1.00 spent on school bus transportation, about \$0.41 is reimbursed by the state.
- HISD spends 2.87 percent on transportation expenses from the general fund, which is below the state-wide average of 3.23 percent.
- HISD operates approximately 1,070 fleet vehicles (for food services, construction and facility services, police, and related departments).
- The fleet vehicles travel more than 8 million miles annually.
- The district uses about 1.9 million gallons of bio-diesel fuel and 600,000 gallons of gasoline each year.

Organizational Structure

Transportation Services has more than 1,200 team members; of these, approximately 950 are hourly school bus drivers. The remaining team members include safety trainers, mechanics, routing and scheduling staff, and support staff. In line with a best practice from The Federal Transit Administration, the transportation department is organized into three primary functional areas as follows:

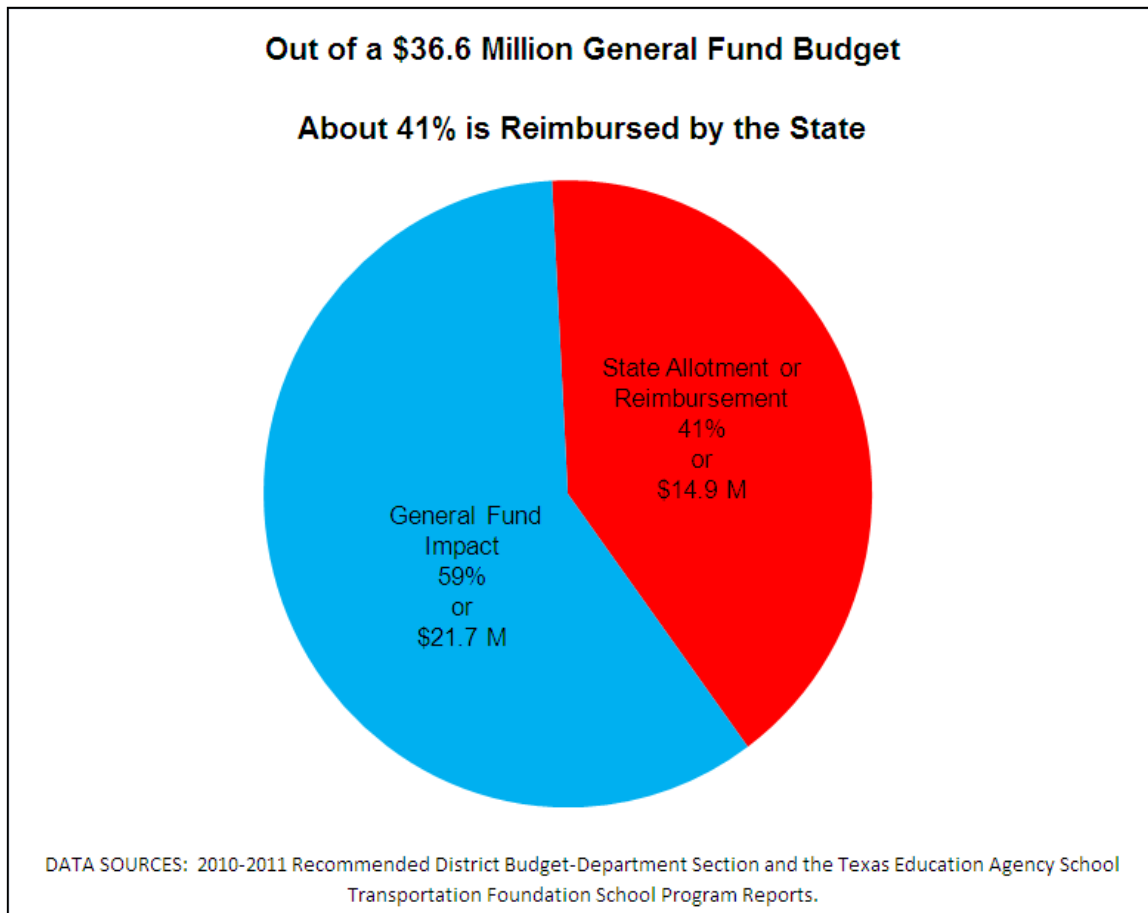




Budget and State Reimbursement

In the 2010–2011 school year, Transportation Services had a budget of approximately \$36.6 million. Of this amount, approximately 78 percent is spent on payroll. The balance is spent on fuel, bus parts and supplies, and other transportation-related expenses.

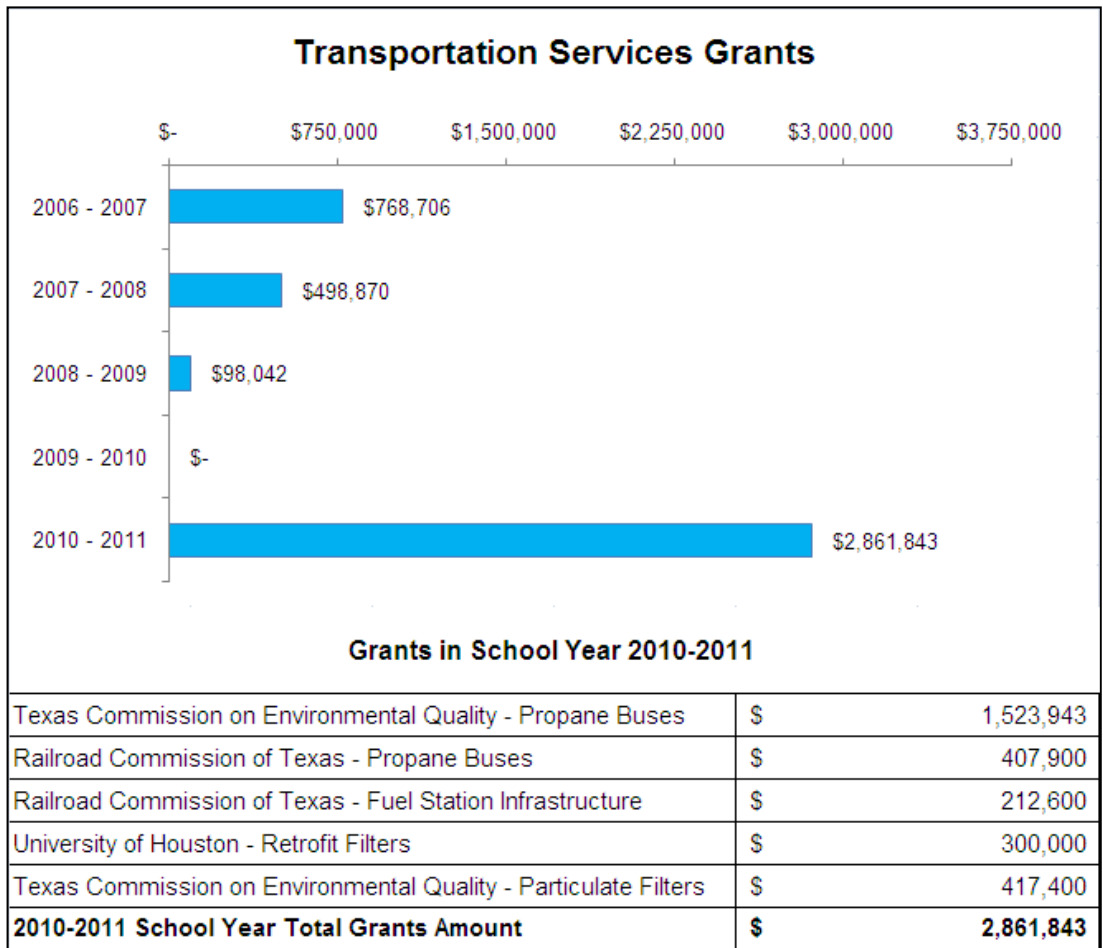
The TEA entitles school districts to receive funding allotments for transportation costs. These funding allotments, or state reimbursements, have not changed since 1984. As the chart below illustrates, approximately 41 percent of the costs associated with transportation are reimbursed by the state, reducing the general fund impact of the transportation budget from \$36.6 million to \$21.7 million. Thus, for every budgeted \$1.00, about \$0.41 cents is reimbursed from the state.





Grants

In the 2010–2011 school year, Transportation Services brought in more grant funding than the previous four school years combined. The chart below provides a comparative analysis:



Cost Reduction and Income and Revenue Generation

In September 2010, Transportation Services began looking at its budget for cost reduction strategies and revenue generation. Transportation Services completed a departmental restructuring that resulted in a budget savings of more than \$2.1 million for the 2011–2012 school year without a reduction in service levels. Approximately 71 percent of this budget reduction was achieved through the reduction of 41 transportation support positions.

In an effort to generate additional revenue, HISD entered into a contract with a media company in February 2011 for services relative to school bus advertising. The first



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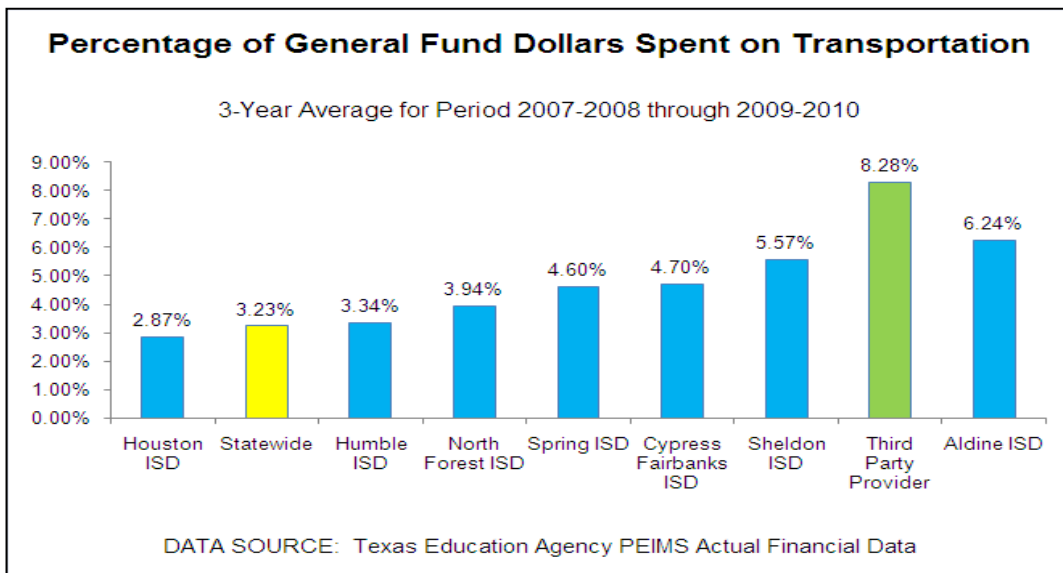
advertisements were placed on HISD buses in May 2011. It is estimated that income received from this initiative could be up to \$250,000 by December 2012.

The department also reached out to non-HISD schools within Houston to see if there was an interest in HISD providing bus services. HISD entered into a contract with five non-HISD schools in July 2011. This service is projected to bring in more than \$1 million in revenue for the district.

Key Performance Indicator 1: General Fund Impact

This measure provides a sense of the impact the transportation program has on the overall general fund operations of the district. Simply put, the more a district spends on transportation the less it has to spend on other programs. Therefore, it is the goal of a district's operations team to provide the highest quality services while minimizing costs so more money is spent in the classroom.

As the chart below indicates, HISD spends approximately 2.87 percent of general fund dollars on school bus transportation, which is below the state average of 3.23 percent. In addition, many of the school districts that border HISD spend more general fund dollars on transportation than HISD and the state average. Finally, a selection of non-HISD schools in the Houston area that choose a third-party provider for transportation services spends nearly three times as much from the general fund than HISD.



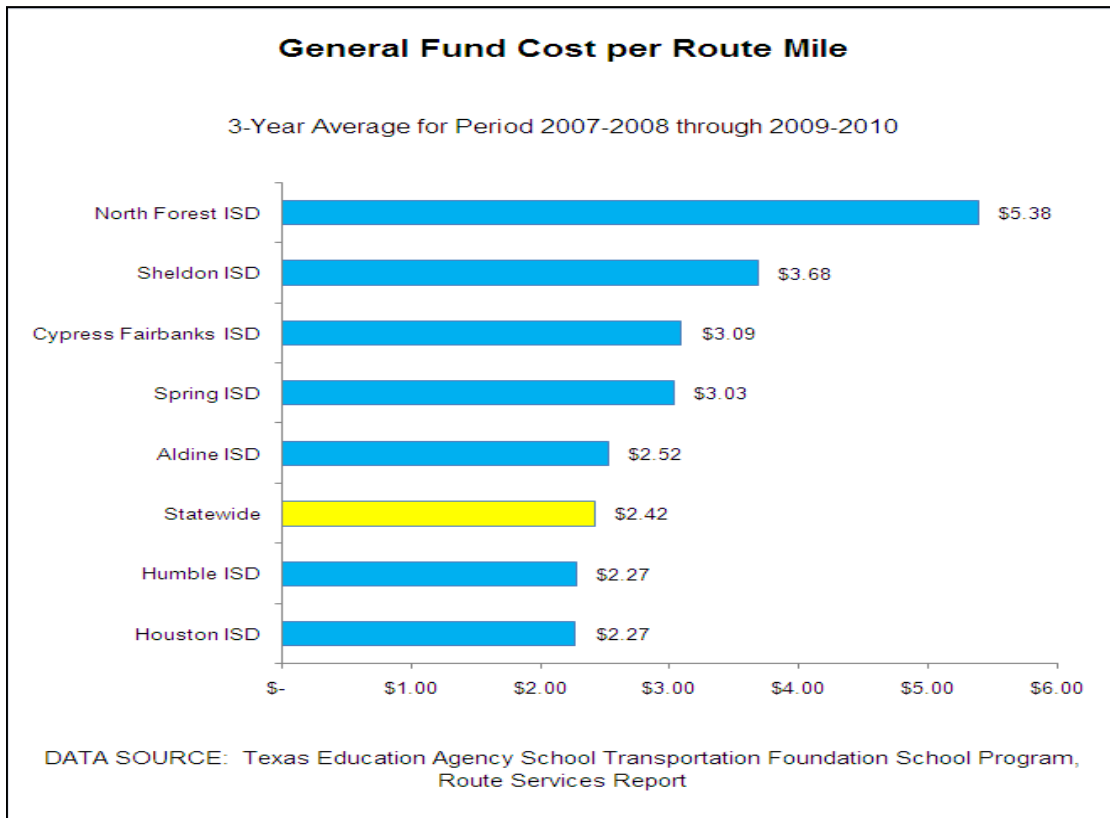


Key Performance Indicator 2: Financial Efficiency

This performance indicator is perhaps the staple in the school transportation industry, and is measured by general fund cost-per-route mile operated. A greater than average cost per route mile may be appropriate based on specific conditions or program requirements in a particular district. A less than average cost-per-mile may indicate a well-run program or favorable conditions in a district. Factors that influence this measure include:

- Labor costs
- Cost of the fleet such as fuel, insurance, and maintenance
- Effectiveness of the routing and scheduling plan
- Ability to use each bus for more than one run (or school)
- Bell schedule
- Maximum riding time allowed and earliest pickup time allowed
- Student ridership eligibility requirements

As the chart below indicates, HISD spends approximately \$2.27 per route mile from the general fund, which is below the state average of \$2.42. In addition, many of the school districts that border HISD spend more per route mile from the general fund dollars than HISD and the state average.

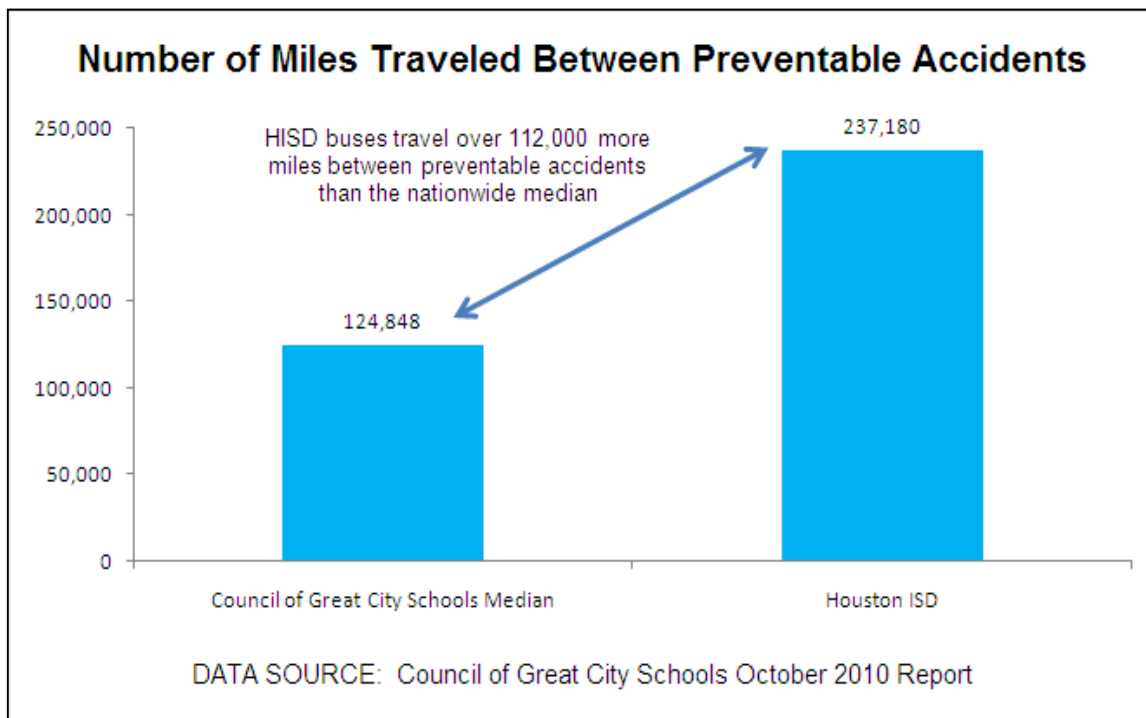




Key Performance Indicator 3: Safety

The safe transport of students is the most important goal of Transportation Services. The National Highway Traffic Safety Administration reports that “students are nearly eight times safer riding in a school bus than with their own parents and guardians in cars.” To maximize safety, Transportation Services extensively trains new drivers, provides on-going training for existing drivers, and tracks its safety record to help evaluate how it can be even safer.

All school bus accidents are tracked, regardless of severity or assignment of fault. After a bus is in an accident, the transportation safety team completes a comprehensive review. Within Transportation Services, there are approximately 237,180 miles driven between preventable accidents, which is above the CGCS median of 124,848. Thus, an HISD bus is traveling nearly twice the number of median miles before incurring a preventable accident. The chart below provides a comparative analysis.



As the chart indicates, HISD buses are traveling more than 112,000 additional miles between preventable accidents than the nationwide median average as measured by the CGCS.

Key Performance Indicator 4: On-Time Performance

Perhaps the most critical key performance indicator is on-time performance. If students do not arrive at school safely and on time, then learning cannot take place. In August 2008, HISD Transportation Services began using a Global Positioning System (GPS)



that is installed on all buses. Morning on-time performance at schools steadily increased from an initial estimated baseline of 90 percent before GPS was installed (measured by arrivals within a 20 minute transportation window), to a daily average of approximately 97 percent (measured by arrivals at least 15 minutes before instructional start time) as of June 2011. As a comparison point, the local bus on-time performance for METRO Houston as of July 2011 was 69 percent (DATA SOURCE: METRO Monthly Board Report, July 2011).

Key Performance Indicator 5: Vehicle Maintenance Plan

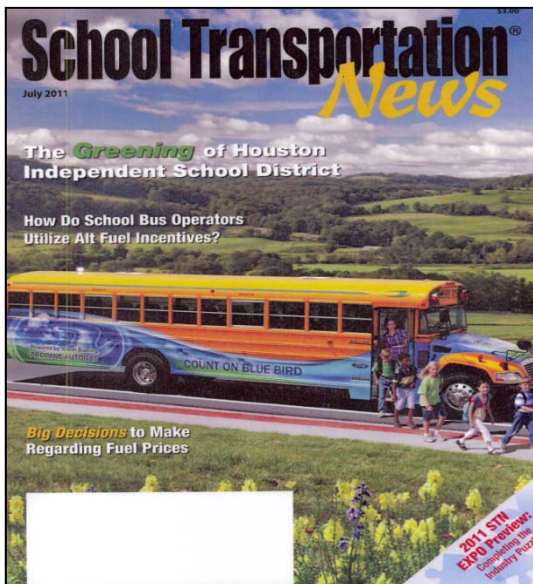
The goal of a vehicle maintenance plan is to keep buses in a safe and reliable condition at all times. Within HISD, the vehicle maintenance plan keeps track of vehicle maintenance by bus and type of service, enabling the district to establish service schedules and identify trends and specific types of problems that can be addressed to prevent major repairs.



In May 2011, *Government Fleet*, a leading transportation industry magazine, announced the top 100 fleets for 2011; **HISD was the only school district in the country to earn a spot on the list.** The 2010–2011 school year was the first year that HISD applied for this coveted award.

The award is based on documentation of key performance measurements used to track work progress, use of technology, evidence of a high trust culture where employees feel confident to voice their opinions on procedures, repairing vehicles right the first time, and quick efficient turnarounds on repairs.

Key Performance Indicator 6: Green Initiatives



In July 2011, the HISD transportation program made the cover of *School Transportation News*, a leading transportation magazine (a first in the department’s history). The article was titled “Houston, We’re Going Green,” and focused on how the seventh largest school district in the nation embraces environmentally-sound practices with alternative fuels, GPS, and shop innovations which reduce greenhouse gases. Some of the key points in the article include:

- In the 2010–2011 school year, propane school buses were added to the district fleet; in addition, all school buses and diesel vehicles began utilizing biodiesel fuel.



Business Operations Transportation Services

- Transportation Services has a strong partnership with the University of Houston as measured by its recent joint project to test emerging emission reduction technology on 27 district buses.
- Reducing the waste stream from the shops, utilizing GPS to monitor excessive engine idling, and optimize routing efficiency has helped improve Houston's air quality.

In October 2011, HISD Transportation Services received yet another prestigious honor from Government Fleet Magazine, when it was ranked as the top school district green fleet in the nation. The 2010–2011 school year was the first year that HISD applied for this award.



Key Performance Indicator 7: Employee Programs

An HISD bus driver is the first and last HISD team member that many children see every day. Their genuine and sincere concern for students makes a huge difference in whether or not a student arrives at school ready to learn. In order to recognize bus driver's contributions to the district, Transportation Services initiated the STAR program in November 2010. This program recognizes bus drivers who achieve goals in **S**afety, **T**eamwork, **A**ttendance, and **R**eliability. The photograph below shows students from Scarborough High School painting a "STAR" mural on the wall at one of the bus terminals.





Business Operations Transportation Services

In June 2011, Transportation Services held its first ever summer job fair to help school bus drivers and attendants who did not receive a summer route assignment secure summer work. More than 15 organizations attended. In addition, classes were held to help drivers and attendants complete their résumé and offer both job application completion tips and interview practice. The photo to the right shows drivers practicing how to complete an application.



The Mayor of the City of Houston formally declared November 2010 as HISD Bus Driver appreciation month. This was a first in the department's history. Four official proclamations were issued (one for each motor pool) and formally presented to the HISD Board on November 11, 2011. The photo to the left shows bus drivers from each terminal accepting the proclamations at the HISD Board of Education meeting.

HISD has one of the premier training programs in the State of Texas. Bus drivers from other Texas school districts like Galveston, Spring Branch, Conroe, New Caney, and North Forest are seen weekly at one of the many safety training programs held within Transportation Services. The photo to the right shows the safety investigators preparing to conduct a CPR training class.



Actions Going Forward

- Since the 2008–2009 school year, daily student ridership has increased on HISD buses by more than 12 percent (from 25,624 in the 2008–2009 school year, to 28,773 in the 2010–2011 school year); bus routes have decreased by approximately 5 percent. In addition, the amount of the district general fund budget on transportation decreased by more than 2 percent during this same time



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Transportation Services**

period. Transportation Services will continue to find efficiencies in operations and maximize ridership.

- In the 2010–2011 school year, Transportation Services received nearly \$3 million in grants for propane buses and infrastructure, retrofits, and particulate filters. This may be a challenge to match in the 2011–2012 school year, but the department must continue to seek out alternative fuel grants.
- In the 2010–2011 school year, Transportation Services created a software program linked to GPS and the routing software. Similar to programs used in airports, this program will allow school personnel to quickly identify the status of a bus and receive the estimated time of arrival or departure by looking at a wall-mounted computer screen or desktop. Transportation Services began rolling-out this program to schools in September 2011, and will continue to evaluate the program throughout the year. An actual screenshot of the program for Mirabeau B. Lamar High School can be found below.

Synovia Status Monitor				Thursday, January 13, 2011		4:13:08 PM		School	Lamar HS
Last updated: 4:13:04 PM								Departures	
Trip	Bus	Scheduled	Status					Updated	
4009P	BUS 9552	4:00 PM	DEPARTED 4:05pm					4:05pm	
4016P	BUS 9553	4:00 PM	DEPARTED 4:07pm					4:07pm	
4019P	Not Assigned	4:15 PM							
4029P	BUS 9555	4:15 PM	BOARDING					4:12pm	
4030P	BUS 9556	4:00 PM	4:18pm					3:48pm	
4032P	Not Assigned	4:00 PM							
4049P	BUS 9558	4:00 PM	4:18pm					3:54pm	
4051P	BUS 9559	4:12 PM	4:22pm					3:58pm	
4063P	BUS 9560	4:00 PM	DEPARTED 4:05pm					4:05pm	
4066P	Not Assigned	4:00 PM							
4067P	BUS 9562	4:05 PM	DEPARTED 4:07pm					4:07pm	
4073P	BUS 9563	4:00 PM	DEPARTED 4:07pm					4:07pm	
4082P	BUS 9564	4:00 PM	DEPARTED 4:07pm					4:07pm	
4501P	BUS 9565	3:45 PM	BOARDING					4:05pm	
4538P	BUS 9566	4:20 PM	BOARDING					4:07pm	
4801P	BUS 9567	4:20 PM	BOARDING					4:12pm	
4809P	BUS 9568	4:18 PM	BOARDING					4:05pm	