Senate Finance Subcommittee on Primary and Secondary Education

Testimony for HB 49

Offered by Pete Japikse, Senior transportation consultant, Ohio School Boards Association
Chairman Hite and members of the committee:

Thank you for the opportunity to come before you today to discuss the needs of Ohio's public schools with regard to pupil transportation support through HB 49.

I come to you today with 37 years of experience in Ohio school transportation. Twenty as a transportation administrator in districts in Southwestern Ohio, 12 as the director of pupil transportation for the Ohio Department of Education, and five as a transportation consultant serving Ohio's public schools on behalf of OSBA. During my career I have driven school buses, worked with school boards, interacted with drivers, parents and students, served as the president of the national association of state pupil transportation directors, and had the honor of working with members of this legislature.

School transportation is a valuable resource, serving students, parents, and the many communities served by Ohio's public school districts. We have 15,000 school buses that travel nearly 1 million miles per day, transporting over 800,000 students to and from their educational programs. The men and women driving these buses and supervising this service provide safe and reliable transportation for these students, enabling them to attend their educational programs. The students we serve include not only our public schools but also those attending nonpublic and private schools, community schools, and vocational schools. Accompanying the written copy of this testimony please find a summary of Ohio's transportation services for fiscal year 2016.

Without our buses providing transportation, Ohio would see more than 500,000 additional cars on the roads every day carrying these same children. Parents would spend an additional $\$ 279$ per year just for fuel for their cars. (The fuel cost for their child to ride a school bus is only $\$ 78$ per year.)

This is a valuable service that parents value and trust, and provides cost effective mass transportation for students, however it is not cost free. The average cost per student is $\$ 900$ per year. The average cost to operate a bus for a year is $\$ 50,000$. The cost to purchase a new school bus that meets all federal and state safety standards is more than $\$ 80,000$.

The buses that our children ride to school in Ohio are aging. Many of our districts rely on buses that are over 10 years old with more than 100,000 miles on their odometers. While these vehicles are heavy duty and continue to provide safe transportation for our children, the operating cost of these vehicles is high. The maintenance needs of an aging fleet can be
overwhelming. As the fleet ages, costs continue to climb. These costs limit the funds available for our schools and precludes their ability to purchase new school buses.

Under Ohio's transportation funding law, the actual operating costs experienced by our school districts are the basis for our funding calculations for the subsequent school year. Just as our schools are caught in a cycle of increasing costs, the same increase in costs affects our state budget funding cycle for school transportation.

The irony of this spending trap is that a new school bus gets twice the fuel economy of a 2005 model, and has drastically lower operating costs than a 10 -year-old bus. Collectively, this can save between $\$ 5-10,000$ in annual operating costs per bus.

Included with this testimony are documents that detail recommendations for school transportation funding, language that improves transportation operations, and also suggestions for cleaning up out-of-date language in the revised code.

There are three legs to these funding recommendations. First is the return of school bus purchasing assistance for our school districts. Second are adjustments in the base funding formula for transportation. Third is a recommendation for adjustments to the transportation supplement to help those districts that are most challenged with providing transportation.

## Bus Purchase Funding

After many years of helping schools purchase buses, including 100\% funding for buses used for nonpublic and special education students, the state stopped all school bus purchasing assistance in 2009. Since that time districts have had the sole responsibility of purchasing their own buses. While some grants have been available through EPA and federal special education programs, our districts have not had the funding to maintain a regular vehicle replacement plan. This has led to the older vehicles that are operated today, which increase both district costs and the costs used to calculate transportation funding.

We recommend that a school bus purchase fund be established in each fiscal year of the next budget. Districts with route buses over 8 years of age and 96,000 miles should be encouraged to apply for this funding. Funding grants in the amount of $\$ 45,000$ (approximately $50 \%$ of the cost of a new bus) should be awarded to eligible districts on a priority basis, using vehicle age and mileage. To ensure that as many districts as possible benefit from the program, no district should be awarded more than one grant until all requests have been met.

Distributed in this manner, a 20 million fund would result in 400 buses being replaced per year. If we can maintain this funding for several budget cycles, this investment will result in a future reduction of operating costs for our districts and reduce reliance on the state budget for operating costs. From another perspective, we can continue to try fund the rising costs of transportation, or we can fund a method that will actually lower the future costs of transportation.

## Base Transportation Funding Formula

Ohio schools are required to transport not only students to their own public schools, but also nonpublic students, charter school students, STEM students, vocational school students, and special education students. The funding provided through the state budget provides less than $50 \%$ of the cost of this service, even for mandated services that the district has no control over. These mandated services for nonpublic and community school students is more costly for our districts due to the lack of enrollment boundaries and the public district's lack of influence over their school calendar and attendance times.

The basic formula in the budget calculates a district's funding for transportation on a cost per student and cost per mile basis, using last year's state average costs and this year's actual service volume. In the last budget cycle districts received the greater of $50 \%$ or their state share index of this amount. We recommend that this percentage be kept at $50 \%$ or their state share index as in the past two years. This is already a reduction from the previous budget which paid $60 \%$ or state share index.

We also recommend that the definition of qualifying students be amended to include all students. Currently only students that live more than one mile from school are included in the funding calculation. In many of our districts the local school board has deemed it necessary to transport all students regardless of distance. These children live on rural routes with no sidewalks and 55 mph speed limits, roads with no sidewalks, roads with high traffic and life safety risks, and in areas where it is not safe for children to walk. In the last school year, this included over 30,000 students. As a parent, we would want our children to have access to safe transportation. The state should support our schools in these considerations. As a local political subdivision, if they deem it appropriate to transport these children, we should fund that transportation just like any other child.

We recommend returning the efficiency measure to the budget, as it was in 2010. This measure was derived through an education stakeholder group with the goal of establishing a benchmark to measure how well school districts are using their school buses. Other states also use passenger capacity measures in their funding formula-however, the one that we derived is dynamic and compares districts to peer districts instead of using an arbitrary passenger load. The formula calculates the average ridership in our state, then uses that average as a base target value for schools. We do consider the ridership density of each district and adjust their target accordingly. This process provides a ridership target for each district that is scaled based upon their density.

For each district, actual ridership is compared to target ridership and expressed as a ratio. Districts that achieve a 1.0 are doing as well as their peers. Districts with a ratio over 1 are exceeding their peers. The formula as implemented in 2010 pays districts that exceed their goal up to $10 \%$ additional funding.

This additional funding for districts is an investment that encourages districts to use fewer buses with more students on board. The districts save costs by using fewer buses, and cost per student is reduced because there are more students in each bus. This reduction in cost then translates to the state budget in subsequent years to help reduce the base funding cost. In essence, it is an investment to reduce future costs.

We appreciate the challenges in a state budget with decreasing revenues available for funding. Many of the changes proposed here can be implemented to more accurately promote efficient and effective transportation, and still remain within a budgetary appropriation. For many years the formula in Ohio was calculated and then scaled back to remain within the adopted budget appropriation. Other changes are based upon interaction with Ohio's school administrators, and would result in a more accurate fünding flow for districts, matching the service they are actually providing.

## Transportation Supplementary Funding

Several budget cycles ago we started the practice of including a supplement in transportation funding. This supplement is intended to assist districts with the most challenges in providing transportation. From a logistics standpoint, the highest cost of transportation occurs when ridership density is very low. In these districts, the school bus has to travel more distance and time to pick up students. Typically, it is not possible to fill up a bus to capacity, resulting in a higher cost per student.

The supplement as currently calculated is based upon solely upon student density. The current budget defines density as ADM per square mile rather than riders per square mile. The true measure of transportation work is not based upon ADM, but rather the actual number of riders served. We recommend that the definition of density be changed back to riders per square mile, as it was originally introduced in 2010. This will focus the supplement for transportation services in districts that need it.

We recommend using the supplement quotient as it is proposed in the budget, but adding a wealth measure to the final calculation. For districts that are eligible as defined in the bill, they should receive the greater of $55 \%$ or their SSI of the funding as proposed in the bill. This will increase the supplemental transportation funding provided to districts with low wealth and the most need.

The final recommendation for the supplement is that language be added to the bill to identify this funding as restricted solely for pupil transportation. Current guidance to districts is that this funding is unrestricted and can be spent for any purpose. There are districts where the funding has not been used for the purpose intended by the legislature.

Thank you again for the opportunity to provide this testimony and comments for your consideration. I am happy to address your questions, and would be pleased to provide supporting data and follow up as you request.

State school transportation data for 2015-2016 school year

| Regular education | Public students |  | Nonpublic students |  | Community school students |  | District Costs |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Greater than 1 mile | Less than 1 mile | Greater than 1 mile | Less than 1 mile | Greater than 1 mile | Less than 1 <br> mile |  |
| Bus riders | 696,163 | 28,839 | 34,409 | 508 | 17,853 | 144 | \$ 707,380,937.00 |
| Payment in lieu | 762 | - | 13,333 | - | 2,747 | - | \$ 4,285,773.00 |
| Other service types | 26,476 | 603 | 7,624 | - | 4,734 | - | \$ 18,416,952.00 |
| Total | 723,401 | 29,442 | 55,366 | 508 | 25,334 | 144 | \$ 730,083,662.00 |


| Special Education | Riders | District Costs |
| :--- | ---: | :--- |
| Bus riders | 32,031 | $\$ 189,775,757.00$ |
| Other service types | 5,424 | $\$ 37,364,137.00$ |
| Total | 37,455 | $\$ 227,139,894.00$ |

$\qquad$
Fiscal Year: $\qquad$ T1 and T2 data reported by ODE

| T1 datal |  | Public Riders |  | Nonpub Riders |  | Comm. Riders |  | Daily Miles |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Greater than 1 | Less than 1 | Greater than 1 | Less than 1 mile | Greater than 1 | Less than 1 | Public | Nonpub | Comm Sch |
| Type 1 | District Bus | 644,422 | 27,427 | 29,671 | 433 | 13,347 | 129 | 704,773 | 64,834 | 23,926 |
| Type 1a | Other pub bus | 109 | 0 | 74 | 0 | 0 | 0 | 0 | 0 | 0 |
| Type 2 | Private Bus | 51,632 | 1,412 | 4,664 | 75 | 4,506 | 15 | 57,608 | 13,370 | 7,891 |
| Type 3 | Transit | 26,252 | 601 | 7,548 | 0 | 4,591 | 0 | 2k . - | 3x, | W, |
| Type 4 | Pymt in lieu | 762 |  | 13,333 | - | 2,747 | Wat way |  | Wveratid | Watititut |
| Type 5 | District Van | 92 | 2 | 23 | 0 | 6 | 0 | 1,871 | 686 | 359 |
| Type 6 | Private Bus | 132 | 0 | 53 | 0 | 137 | 0 | 2,560 | 267 | 326 |
|  | Subtotals | 723,401 | 29,442 | 55,366 | 508 | 25,334 | 144 | 766,812 | 79,157 | 32,502 |
| Totals by type |  | 752,843 |  | 55,874 |  | 25,478 |  | 878,471 |  |  |


| ADM | $1,566,987$ |
| :---: | :---: |
| \% Of Adm Tsported | $51 \%$ |


| (T1 and T2 data1) | Costs | Riders | $\$ /$ rider | Annual Miles | $\$ / \mathrm{mile}$ | $\$ /$ vehicle |  |
| :--- | :--- | ---: | ---: | ---: | ---: | ---: | ---: |
| Type 1 | District Bus | $622,613,103$ | 715,429 | 870.27 | $142,835,940$ | $\$$ | 4.36 |
| Type 1a | Other pub bus | 197,755 | 183 | $1,080.63$ |  |  | $48,354.54$ |
| Type 2 | Private Bus | $84,570,079$ | 62,304 | $1,357.38$ | $14,196,420$ | $\$$ | 5.96 |
| Type 3 | Transit | $16,517,850$ | 38,992 | 423.62 |  |  | $63,874.68$ |
| Type 4 | Pymt in lieu | $4,285,773$ | 16,842 | 254.47 |  |  |  |
| Type 5 | District Van | 409,878 | 123 | $3,332.34$ |  | 524,880 | $\$$ |
| Type 6 | Private Van | $1,489,224$ | 322 | $4,624.92$ | 567,540 | $\$$ | 2.62 |
| Total |  | $730,083,662$ | 834,195 |  |  |  | $\$$ |


| Type 1 Itemized Cost -Regular Education (from T2) |  |  |  |  | Vehicles (from T1 data1) |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Count | Reported Cost | Cost/mile | Cost / bus |  |  |
| Supervisor | 840.2 | 25,758,824 | 0.1803 | 2,001 |  | Regular Spare |
| Secretary Clerk | 605.6 | 11,410,893 | 0.0799 | 886 | Type 1 | $12876 \quad 4191$ |
| Reg Drivers | 11949 | 224,495,663 |  | 17,435 | Type 2 | $1324 \quad 270$ |
| Sub Drivers | 3556.5 | 17,611,535 |  | 1,368 | Type 5 | $593 \quad 0$ |
| Bus Attendant | no data |  |  |  | Type 6 | 1810 0 |
| Mechanic | 919.2 | 32,254,660 | 0.2258 | 2,505 |  |  |
| Mechanic Helper | 263 | 2,457,371 | 0.0172 | 191 |  |  |
| Retirement | Wevter | 56,407,235 |  | 4,381 |  |  |
| Worker's Comp |  | 2,230,734 |  | 173 | Nonroutine Miles | 18,163,590 |
| Employee Insurance |  | 104,029,011 |  | 8,079 | Nonroutine: Routine | 1/10 |
| Physical / Drug \& Alcohol |  | 1,559,075 |  | 121 | Square Miles | \#N/A |
| Cert \& License |  | 599,495 |  | 47 | Rider Density | \#N/A |
| Training |  | 1,761,503 |  | 137 | Spare: Route buses | 11/35 |
|  | Verburusitu |  |  | 0 | Mech : Vehicles | $2 / 29$ |
| Maint \& Repair |  | 39,510,587 | 0.2766 | 3,069 |  |  |
| Tires |  | 5,898,920 | 0.0413 | 458 | Reg Ed Riders / bus | 55.6 |
| Fuel |  | 49,292,826 | 0.3451 | 3,828 | Miles / bus / year | 12,281 |
| Bus Insure |  | 8,512,480 | 0.0596 | 661 |  |  |
| Maint Supply | 人vaxix-x | 12,878,739 | 0.0902 | 1,000 | Efficiency Values (all | ll riders,Reg + Spec) |
| Facility Rent | $\square$ | 602,106 | 0.0042 | 47 | Target | \#N/A |
| Utilities | VWatay | 5,246,982 | 0.0367 | 408 | Actual | \#N/A |
| Bus Lease |  | 9,218,695 | 0.0645 | 716 | Ratio | \#N/A |
| Other |  | 8,187,442 | 0.0573 | 636 |  |  |
| Operational subtotal <br> Total |  | 619,924,777 | 1.4788 | 48,146 |  |  |
| Vehicle amortization |  | 0 | 0.0000 | 0 |  |  |
| Fully allocated cost |  | 619,924,777 | 1.4788 | 48,146 |  |  |

Pupil transportation budget requests

| Request \# | Line \# | Code \# | Proposed change | Rationale |
| :---: | :---: | :---: | :---: | :---: |
| 1 | 28535 | 3317.0212 (A)(1) | Delete "resident" | This was added in last budget. It prevents districts who transport open enrollment students from being able to file for transportation cost when they provide service. |
| 2 | 28537 | 3317.0212 (A)(1) | Delete "and who live more than one mile from the school they attend" | This provides funding for all students transported. Districts transport nearly 30,000 less than one mile for safety reasons. |
| 3 | 28543 | 3317.0212 (A)(2) | add "counted in the morning or afternoon" | Some districts report higher ridership in the afternoon. ODE does not allow for this higher number to be reported. This language will allow district to report their maximum ridership, which is what they have to provide. |
| 4 | 28546 | 3317.0212 (A)(3) | change "ADM" to "qualifying riders" | This corrects the definition of rider density to just the students who are actually riding. This is the density measure which impacts transportation, much more than ADM. |
| 5 | 28556 | 3317.0212 (B) | change due date from fifteenth of October to November 1. | Clean up existing language. The practice in place now by ODE is to require reports by November 1. This timing is appropriate to allow time to process data collected in the first week of October. |
| 6 | 28600 | 3317.0212 (E)(3)(a) | restore funding percentage to 50\% | This level of funding is critical for districts to continue to provide transportation service for all students entitled to transportation. The proposed reduction in this rate does not help poorer districts, but just takes money away from over 300 districts, including service for nonpublic, community school, STEM school and special education students. |
| 7 | 28603 | 3317.0212 (E)(3)(b) | restore funding percentage to 50\% | This level of funding is critical for districts to continue to provide transportation service for all students entitled to transportation. The proposed reduction in this rate does not help poorer districts, but reduces funding for over 300 districts, also impacting service for nonpublic, community school, STEM school and special education students. |
| 8 | 28616 | 3317.0212 (G)(1) | provide supplemental transportation funding | In the FY 14 budget there was a formula for supplemental transportation funding that considered each district's wealth and their ridership density. Districts below the median on both of these measures qualified for supplemental transportation funding. The current measure only considers population density, and does not take wealth into consideration. We recommend using the formula as proposed, but adjusting the final calculation to paying the greater of $55 \%$ or State share index to eligible districts. This will provide more funding for districts with lower wealth. |
| 8 a |  |  | designate supplemental transportation funding as restricted funds | We recommend that the transportation supplemental funding calculated above be restricted to use for transportation purposes. Currently guidance to districts indicates this funding is unrestricted. |


| Request \# | Line \# | Code \# | Proposed change | Rationale |
| :---: | :---: | :---: | :---: | :---: |
| 9 | new language proposal attached |  | New language proposed to promote efficient use of school buses | This language is based upon the efficiency measure that was used in a previous transportation budget bill, and which was based upon stakeholder input. It rewards districts for efficient use of their school buses, which ultimately results in lower transportation cost statewide. |
| 10 | new language proposal attached | 3317.07 | Add bus purchase subsidy. Language includes priority replacement for the oldest and highest mileage buses used on daily routes, and prevents districts from assigning newer buses to substitute status to increase their potential for bus purchase funding. Funding is allocated at 45,000 (representing approximately $50 \%$ of the current cost of a new bus). This helps the funding to go further to help more districts purchase new vehicles. | Assisting districts to replace older buses with new buses will reduce operating cost and increase passenger safety. The reduction of operating cost will reduce the demand on the state budget for operational funding as costs are reduced. |
| 11 | support House proposal | 3327.08 | We support the House change to except school bus purchases from bid bonds | Bid bonds add to the cost of new buses, and do not protect the buyers. There is no record of a bid bond ever being cashed in. |
| 12 | new language | 3327.10 (A) and (B) | change minimum age of a school bus driver from at least eighteen to "at least twenty-one" years of age | This is a safety measure to eliminate the use of high risk young age drivers on school buses. |

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had not been levied and had not been used in the computation required by division (B) of section 3317.021 of the Revised code. The department shall pay the district that amount in the ensuing fiscal year in lieu of the amounts computed under this chapter.

If a school district received a grant from the catastrophic expenditures account pursuant to division (C) of section 3316.20 of the Revised code on the basis of the same circumstances for which a recomputation is made undex this section, the amount of the recomputation shall be reduced and transferred in accordance with division (C) of section 3316.20 of the Revised code.

Sec. 3317.0212. (A) As used in this section:
(1) "Qualifying riders" means residen students enrolled in regular education in grades kindergarten to twelve who are provided school bus service by a school district and who live more than one mile from the school they attend, including students with dual enrollment in a joint vocational school district or a cooperative education school district, and students enrolled in a community school, STEM school, or nonpublic school.
(2) "Qualifying ridership" means the average number of qualifying riders who are provided school bus service by a school qualifying riders
district during the first full week of october.
(3) "Rider density" means the total ADM per square mile of a school district.
(4) "School bus service" means a school district's transportation of qualifying riders in any of the following types of vehicles:
(a) School buses owned or leased by the district;
(b) School buses operated by a private contractor hired by the district;
(c) School buses operated by another school district or
entity with which the district has contracted, either as part of a consortium for the provision of transportation or otherwise.
(B) Not later than the fifteenth day of october each year, 28554 28555 vill sag district shall report to the department of education its qualifying ridership and 28558 any other information requested by the department. Subsequent 28559 adjustments to the reported numbers shall be made only in 28560 accordance with rules adopted by the department. 28561
(C) The department shall calculate the statewide 28562 transportation cost per student as follows: 28563
(1) Determine each city, local, and exempted village school 28564 district's transportation cost per student by dividing the district's total costs for school bus service in the previous fiscal year by its qualifying ridership in the previous fiscal year.

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(2) After excluding districts that do not provide school bus service and the ten districts with the highest transportation costs per student and the ten districts with the lowest transportation costs per student, divide the aggregate cost for school bus service for the remaining districts in the previous fiscal year by the aggregate qualifying ridership of those districts in the previous fiscal year.
(D) The department shall calculate the stateide transportation cost per mile as follows: 28577
(1) Determine each city, local, and exempted village school district's transportation cost per mile by dividing the district's 28579 total costs for school bus service in the previous fiscal year by 28580 its total number of miles driven for school bus service in the 28581 previous fiscal year.
(2) After excluding districts that do not provide school bus service and the ten districts with the highest transportation

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transportation costs per mile, divide the aggregate cost for ..... 28586 school bus service for the remaining districts in the previous 28587 fiscal year by the aggregate miles ariven for school bus service 28588 in those districts in the previous fiscal year.
(E) The department shall calculate each city, local, and exempted village school district's transportation payment as follows:
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(1) Multiply the statewide transportation cost per student by 28593 the district's qualifying ridership for the current fiscal year. 2859
(2) Multiply the statewide transportation cost per mile by 28595 the district's total number of miles driven for school bus service 28596 in the current fiscal year.
(3) Multiply the greater of the amounts calculated under divisions ( $E$ )(1) and (2) of this section by the following:
(a) For fiscal year 2018, the greater of fifty thirty-seven and one-half per cent or the district's state share index, as defined in section 3317.02 of the Revised Codei
(b) For fiscal year 2019, the greater of twenty-fiye per cent of the district's state share index.
(F) In addition to funds paid under division ( E ) of this section, each city, local, and exempted village district shall receive in accordance with rules adopted by the state board of education a payment for students transported by means other than school bus service and whose transportation is not funded under division (C) of section 3317.024 of the Revised code. The rules shall include provisions for school district reporting of such students.
(G)(1) For purposes of division (G) of this section, a school district's "transportation supplement percentage" means the 28597
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If the result of the calculation for a district under division (G)(1) of this section is less than zero, the district's transportation supplement pexcentage shall be zero.
(2) The department shall pay each district a transportation supplement calculated according to the following formula:
The district's transportation supplement percentage x the amount calculated for the district under division ( $E$ (2) of this section $\times 0.55$

Sec. 3317.0218. The department of education shall annually compute capacity aid funds to school districts, as follows:
(A) For each school district, multiply the district's three-year average valuation by 0.001 ;
(B) Determine the median amount of all of the amounts calculated under division (A) of this section;
(C) Calculate each school district's capacity ratio, which 28618 28619 28620 28621 28622 28623 28624 28625 28626

following quotientf(35, in fine year-2016, or 50 , in ficeal 2017 - the28616861728620 28624
28625 28627 28628 28629 28630 28631 28632 equals the greater of zero or the amount calculated as follows: 28633 28634 28635 28636

If the result of a calculation for a school district under 28637 division (C) of this section is greater than 2.5, the district's 28638 capacity ratio shall be 2.5 .
(D) Calculate the capacity aid per pupil amount, which equals the following quotient:

28640 which the amount calculated under division (A) of this section is less than

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Transportation Efficiency adjustment
(1) The department annually shall establish a target number of riders per assigned bus for each city, local, and exempted village school district. The department shall use the most recently available data in establishing the target number. The target number shall be based on the statewide median number of riders per assigned bus as adjusted to reflect the district's rider density in comparison to the rider density of all other districts. The department shall post on the department's web site each district's target number of riders per assigned bus and a description of how the target number was determined.
(2) The department shall determine each school district's efficiency index by dividing the district's median number of riders per assigned bus by its target number of riders per assigned bus.
(3) The department shall determine each city, local, and exempted village school district's efficiency adjustment as follows:
(a) If the district's efficiency index is equal to or greater than 1.5 , the efficiency adjustment shall be calculated according to the following formula:

### 0.10 X transportation base payment

(b) If the district's efficiency index is less than 1.5 but equal to or greater than 1.0, the efficiency adjustment shall be calculated according to the following formula:

$$
[(e f f i c i e n c y ~ i n d e x-1) / 0.5] X \text { transportation base payment }
$$

(c) If the district's efficiency index is less than 1.0, the efficiency adjustment shall be zero.

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### 3317.07 Bus Purchase Subsidy

Traditional public school districts that provide school bus transportation may apply for bus purchase subsidy for the purposes of replacing buses that are: 1) used for daily route service, 2) over 8 model years old, and 3) have over 96,000 miles on their odometers. To qualify for the subsidy, the districts may not have any unassigned buses in their fleets that are less than 8 years old or 96,000 miles on the odometer. The amount of the subsidy shall be set at 45,000 per approved bus, and shall be considered as restricted funds which may only be used for bus purchase.

The department of education shall formulate rules to prioritize the award of purchase subsidy to districts that apply under this section, except that no district shall be awarded more than one bus subsidy until all districts that have applied have received at least one bus subsidy.

### 3327.08 Purchase of school buses and other transportation equipment.

Boards of education of city school districts, local school districts, exempted village school districts, cooperative education school districts, and joint vocational school districts and governing boards of educational service centers may purchase on individual contract school buses and other equipment used in transporting children to and from school and to other functions as authorized by the boards, or the boards, at their discretion, may purchase the buses and equipment through any system of centralized purchasing established by the state department of education for that purpose, provided that state subsidy payments shall be based on the amount of the lowest price available to the boards by either method of purchase. No board shall be deprived of any form of state assistance in the purchase of buses and equipment by reason of purchases of buses and equipment on an individual contract. The purchase of school buses shall be made only after competitive bidding in accordance with section 3313.46 of the Revised Code, except that bid bonds are not required unless requested by the purchasing agency. All bids shall state that the buses, prior to delivery, will comply with the safety rules of the department of public safety adopted pursuant to section 4511.76 of the Revised Code and all other pertinent provisions of law.

Effective Date: 10-21-1997 .

### 3327.10 Qualifications of drivers.

(A) No person shall be employed as driver of a school bus or motor van, owned and operated by any school district or educational service center or privately owned and operated under contract with any school district or service center in this state, who has not received a certificate from either the educational service center governing board that has entered into an agreement with the school district under section 3313.843 or 3313.845 of the Revised Code or the superintendent of the school district, certifying that such person is at least eighteen years of age and is of good moral character and is qualified physically and otherwise for such position. The service center governing board or the superintendent, as the case may be, shall provide for an annual physical examination that conforms with rules adopted by the state board of education of each driver to ascertain the driver's physical fitness for such employment. Any certificate may be revoked by the authority granting the same on proof that the holder has been guilty of failing to comply with division (D)(1) of this section, or upon a conviction or a guilty plea for a violation, or any other action, that results in a loss or suspension of driving rights. Failure to comply with such division may be cause for disciplinary action or termination of employment under division (C) of section 3319.081 , or section 124.34 of the Revised Code.
(B) No person shall be employed as driver of a school bus or motor van not subject to the rules of the department of education pursuant to division (A) of this section who has not received a certificate from the school administrator or contractor certifying that such person is at least eighteen years of age, is of good moral character, and is qualified physically and otherwise for such position. Each driver shall have an annual physical examination which conforms to the state highway patrol rules, ascertaining the driver's physical fitness for such employment. The examination shall be performed by one of the following:
(1) A person licensed under Chapter 4731. of the Revised Code or by another state to practice medicine and surgery or osteopathic medicine and surgery;
(2) A physician assistant;
(3) A certified nurse practitioner;
(4) A clinical nurse specialist;
(5) A certified nurse-midwife.

Any written documentation of the physical examination shall be completed by the individual who performed the examination.

Any certificate may be revoked by the authority granting the same on proof that the holder has been guilty of failing to comply with division (D)(2) of this section.

