

**House Finance Committee  
HB 96 Written Interested Party Testimony  
Shannon Cox, Superintendent  
Montgomery County Educational Service Center  
March 4, 2025**

Good afternoon, Chair Fowler Arthur, Vice-Chair Odioso, and Ranking Minority Member Robinson. Thank you for the opportunity to submit written testimony on the education provisions in proposed HB 96, and some requests for additions to the bill. My name is Shannon Cox, and I am the Montgomery County Educational Service Center (MCESC) superintendent. We serve the needs of school districts and private schools (and their respective students) in and around the Montgomery County area.

**RideSmart Ohio:**

MCESC has been actively engaged in the Pupil Transportation Pilot Program established in the previous biennial budget bill (HB 33) and clarified through HB 250 in the 135<sup>th</sup> General Assembly. We are working to address student transportation challenges through innovative solutions. The RideSmart Ohio initiative and Consortium Transportation routes have promise as cost-effective and efficient alternatives for school districts struggling with driver shortages, rising costs, and compliance issues.

Attached to this testimony is a legislative update that highlights the program's progress, key challenges, and recommendations for sustaining and expanding its impact. **We are asking the General Assembly to continue this vital pilot program through HB 96 and, with that, a \$500K appropriation in the coming biennium (FY2026-2027).**

In addition to extending the pilot with additional funding to allow time for optimizing operational efficiencies, refining replicable models, and expanding reach, we recommend expanding Work Based Learning Transportation: **Recognize transportation to career training sites as an eligible service under the pilot program.** This could become part of the Montgomery County ESC Pilot.

We appreciate the opportunity to participate in the Pilot Transportation program as one of two ESCs in the state seeking unique solutions to the growing pupil transportation challenges. We are confident that with two additional school years to extend our success, we will have the data and experience to help solve Ohio's more significant pupil transportation issues.

**DriveSmart Ohio:**

Governor DeWine's proposed budget (HB 96) highlights the need for affordable driver training opportunities for students while in high school. We agree, and in fact, in 2024, MCESC developed its driver education program to serve the students in our ESC service territory. Since September of 2024, we have been serving students. Attached to this testimony is a summary of our success thus far, along with estimates for start-up costs for other ESCs that might agree to sponsor their own program. Because of the work we've already invested in DriveSmart, such a program has become a turnkey, plug-and-play service, eliminating months of planning for other parts of the state.

We urge the General Assembly to provide funding for ESCs that wish to provide this service in other parts of the state and state purchasing contracts for ongoing cost savings to keep the cost to parents and students at a minimum. **We estimate startup costs to be \$225,000.00 in each region.**

#### **Funding**

The MCEESC is in support of the request by the Ohio Educational Service Centers Association (OESCA) regarding the ESC funding portion of the Fair School Funding Plan. We respectfully request that the data used to determine funding for the ESCs across the state be updated to more accurately reflect the current work of ESCs and the costs for providing services to districts and students. Currently, the ESC portion of the FSFP is based on FY 2020 data.

Just as we support the full implementation of the FSFP for our member school districts, **we urge the General Assembly to fully phase in the ESC component of the plan, including the appropriate update of cost data.**

#### **Regional Services**

The current version of HB 96 includes some significant changes to Ohio's regional educational delivery system (ORC Section 3312). The proposed changes would have a significant impact on ESCs and the work we do on behalf of the state. We have been in talks with the Department of Education and Workforce about our concerns related to the HB 96 provisions. While we agree that some change may be needed, **we ask that the General Assembly remove the proposed changes to section 3312 to allow further discussion among stakeholders before making changes to the current system.**

This concludes our written testimony. Please feel free to contact us with questions.

# TRANSPORTATION PILOT

- ◆ Funding Period: Aug 13, 2024 –Feb 6, 2025
- ◆ Prepared by: Montgomery County ESC
- ◆ website: ridesmartohio.com
- ◆ contact: ridesmartohio@mcesc.org



The Montgomery County Educational Service Center (MCESC) has been actively engaged in the Pupil Transportation Pilot Program, working to address student transportation challenges through innovative solutions. The RideSmart Ohio initiative and Consortium Transportation routes have promise as cost-effective and efficient alternatives for school districts struggling with driver shortages, rising costs, and compliance issues. This legislative update highlights the program's progress, key challenges, and recommendations for sustaining and expanding its impact.

## CONSORTIUM ROUTE SUCCESSES

A consolidated route was established to transport students from two districts to the Ohio State School for the Blind and the Deaf.

Districts have seen cost savings by consolidating student transportation needs rather than maintaining separate routes.

Scaling this model can save districts thousands.



	Typical Route to Columbus from Dayton Area (1 -2 students per district per bus)	Consortium Route to Columbus from Dayton Area (up to 9 students)
Miles one way	75	97*
Number of Weeks in a School Year (estimated)	36	36
Number of one ways/week for the driver (trips)	4	4
Number of hours/week for driver	6	6
Hourly rate for driver (estimated)	\$25	\$25
Standard mileage rate (estimated)	\$0.67	\$0.67
Cost per year in Miles (number of miles one-way x number of trips x standard mileage rate)	\$7,236.00	\$9,358.00
Driver Cost Per Year (number of hours per week x hourly rate x number of weeks)	\$5,400.00	\$5,400.00
<b>Total Cost to operate the Route</b>	<b>\$11,124.00</b>	<b>\$14,758.00</b>
<b>Cost for 2 districts (1 Student Each)</b>	\$22,248.00	\$14,758.00 (\$7,379 per student)
<b>Cost for 3 districts (1 Student Each)</b>	\$33,372.00	\$14,758.00 (\$4,919 per student)
<b>Cost for 4 districts (1 Student Each)</b>	\$44,496.00	\$14,758.00 (\$3,690 per student)
<b>Cost for 5 districts (1 Student Each)</b>	\$55,620.00	\$14,758.00 (\$2,952 per student)
<b>Cost for 6 districts (1 Student Each)</b>	\$66,744.00	\$14,758.00 (\$2,460 per student)
<b>Cost for 7 districts (1 Student Each)</b>	\$77,868.00	\$14,758.00 (\$2,108 per student)
<b>Cost for 8 districts (1 Student Each)</b>	\$88,992.00	\$14,758.00 (\$1,845 per student)
<b>Cost for 9 districts (1 Student Each)</b>	\$100,116.00	\$14,758.00 (\$1,640 per student)

\*\*Shifts slightly as more districts add students to this route, with only minimal cost increases.



## FLEET AND DRIVER DEVELOPMENTS

- Acquired minibuses; 9 passenger and 5 passenger wheelchair accessible minibus for larger consortium routes.
- Hired and retained 5 new drivers through targeted recruitment efforts.
- Implementation of safety measures that match and exceed the van driver requirements by the state including CPR/First Aid certification, strict vehicle inspections, and drug testing.



## OPERATIONAL AND FINANCIAL IMPACT

	COMPETITOR RIDESMART				
Scenario 1	1 STUDENT	1 STUDENT	2 STUDENTS	3 STUDENTS	4 STUDENTS
Passenger 1	15	15	15	15	15
Passenger 2			8	8	8
Passenger 3				7	7
Passenger 4					5
	15	15	23	30	35
Minimum Trip Cost	\$77.00	\$25	\$25	\$25	\$25
Number of miles included in the base cost	12	6.25	6.25	6.25	6.25
Per mileage cost beyond that initial fee	\$2.58	\$2.50			
Cost To District	\$94.74	\$46.88	\$92.00	\$150.00	\$192.50
Pay to Driver		\$24.90	\$55.20	\$90.00	\$105.00

RideSmart operates currently at no costs to districts. This has allowed us to evaluate and build a more cost-effective alternative models to single passenger traditional bus transportation and private carriers. Creating a better option for unique transportation situations.

Goal 1: provide the safest transportation options for students.

Goal 2: return CDL licensed drivers to the driver pool-reducing shortages.

Goal 3: reduce district cost by decreasing the reliance on expensive private transportation

Cost analysis models predict approximate savings on routes run through the ESC vs. Private Companies.

Extended time and funding needed to ensure sustainability and build a replicable-scalable model.

### Current Ex. Ride Smart

Round Trip Cost	\$169.48	\$93.75
Number of Days Trip is Made	176	176
Annual Cost	\$29,828.48	\$16,500.00
Cost Savings		44%

Feb. 2025 estimates given this 20-mile scenario and current costs. Subject to change. Does not apply to consortium routes.

## Recommendations

- **Extend Pilot Program:** Provide additional funding to allow time for optimizing operational efficiencies, refining replicable models, and expanding reach.
- **Expand Work Based Learning Transportation:** Recognize transportation to career training sites as an eligible service under the pilot program
- **Increase State Support for Transportation Costs:** Investigate a reimbursement system similar to Oregon's model to reduce district transportation burdens for unique and specialized school placements.
- **Extend Transportation Responsibility:** Allocate funding to enable school choice, charter schools, private schools, etc. to manage their individual transportation, improving efficiency and flexibility.

## Request for FY26

Additional Investment Costs 25-28		
Transportation Consultant/Subject Matter Expert (as needed)	\$30,000.00	Provides specialized expertise on transportation regulations, efficiency, and strategy to optimize program operations.
Lead Administrator Salary and Benefits	\$100,000.00	overseeing operations, compliance, and strategic direction.
Technical Support (multiple personnel part time)	\$40,000.00	IT and software support to ensure the smooth operation of routing systems, driver applications, and communication tools.
Driver Recruitment and Training	\$40,000.00	Efforts to attract and vet qualified drivers, ensuring safety, compliance, and readiness for various transportation needs.
HR and Onboarding	\$25,000.00	Managing hiring, background checks, compliance paperwork, and initial training for new employees.
Expansion Strategy	\$30,000.00	Planning and executing growth into new rapid response, workbased learning partnerships, and creating a replicable model.
Vehicles	\$200,000.00	Acquisition, maintenance, insurance, and operational costs of fleet vehicles used for transportation services.
Indirect	\$35,000.00	administrative support, legal support and other general expenses necessary to grow operations.
<b>Total Additional Costs</b>	<b>\$500,000.00</b>	

# Driver's Ed Update

**Lesson Learned:** We originally aimed for schools to have more ownership of driver education programs. However, due to overwhelming logistical challenges and staffing constraints, we quickly realized that Educational Service Centers (ESCs) are uniquely positioned to deliver a seamless, cost-effective solution for getting driver's ed back into schools. By leveraging existing ESC partnerships, DriveSmart becomes a turnkey, plug-and-play service, eliminating months of planning and reducing additional staffing costs for the district.

Additionally, Ohio's School Plan insurance has not increased for any ESC or school district that has added driver's education, allowing cost savings to be passed directly to students.

---

## Our DriveSmart Stats:

After eight months of startup (despite being told we couldn't do it in less than a year):

- The DriveSmart website officially launched on September 26, 2024.
- As of February 6, 2024, at 9:18 AM, DriveSmartOhio.com has been open to the public for 4.5 months.
- **192 students** are currently in our system (including five summer pilot students).
- **83 students have secured their spots since Jan. 1st!**
- **46 students** have completed their full training. (as of 2/7/25)
- **44 students** have earned their driver's licenses from the BMV. (as of 2/7/25)

DriveSmart continues to demonstrate its effectiveness in providing accessible, high-quality driver education to Ohio's students.

**Our Model:** If a district provides a rental agreement for a room with access to a working restroom, filing cabinet that locks, and a clean fire inspection, we will supply the car and instructors and take care of all the rest!

- **Minimal disruption** – ESCs handle all logistics.
- **Cost savings** – No increase in Ohio's School Plan insurance.
- **Rapid implementation** – Schools avoid extensive planning and training.

DriveSmart empowers schools with a streamlined, affordable driver education program, ensuring more students gain essential driving skills without burdening districts.



---

## Recommendation:

In some regions of the state new driving school creation, especially through an ESC model is ideal. This creates access, reduces wait time, and establishes high-quality driving schools.

In areas where there are multiple established driving schools an approach focusing on reducing wait time (by hiring/training drivers and purchasing cars) and reducing costs for students may be a better approach.

### Regional Training Managers:

Create a regional training manager position that eliminates the competition between businesses, creates consistency and fidelity of new programs, and reduces the strain on an existing business. ESCs could employ these people for the state

**State Funding Needs for Startups to Partner with K12:** To support the expansion of DriveSmart and similar initiatives, state funding is essential to cover initial startup costs. This includes:

- **Vehicle Acquisition:** Initial costs for at least four vehicles to support four drivers, with an additional vehicle required for every two additional trainees.
- **Staffing Training Costs:** A simplified staffing model includes hiring and training instructors on a per-session or full-time basis, ensuring sustainability without overburdening districts.
- **Software:** Covering the startup costs for software that can help manage student registrations can help a new start-up create and organize paperwork and scheduling creating a customer-friendly experience. Not only is this a sustainability step for new companies, this can reduce long-term staffing costs, as well as, the burden on school personnel.

### Cost Reduction Strategies for Existing Companies and Partnerships with K12:

- **Bulk Insurance Agreements:** Negotiating statewide insurance coverage to lower per-driver policy costs.
- **Software Integration:** Not only is this a sustainability step for new companies, this can reduce long-term staffing costs, as well as, the burden on school personnel.
- **Incentives for Partnerships:** Offering financial incentives for existing driver education companies and school districts to collaborate in areas with established driving companies. This can reduce operational costs for existing companies and expand service accessibility.
- **Free Rental Space:** Utilizing school facilities for after-school and summer training programs to minimize overhead expenses..

<b>Start-Up Financial Summary</b>	
Instructor Training (x6)	\$10,000
Administrator Salary/Benefits	\$100,000
Supplies (cones, brakes, decals, etc.)	\$10,000.00
Software Start-Up	\$5,000
4 Vehicles (for 6 instructors)	\$90,000
Online Driver Education	\$10,000
<b>Total</b>	<b>\$225,000</b>

**Additional costs to consider:**

<b>State Fees</b> (Enterprise Fee, New location, New Instructor Fees, etc. )
<b>Insurance</b>
<b>Bond/Escrow</b>
<b>Fuel</b>
<b>Vehicle Maintenance</b>
<b>Credit Card Fees</b>
<b>Advertising</b>
<b>Facilities</b>