

# Yellow bus blues: Local school districts facing tough choices about transportation (Indiana)

## Latest News

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Over the past few years, usually during the process of budget approval, various public school districts have voiced concerns about the impact of property tax caps on district operations. If current trends hold and no adjustments are made, those periodic murmurs might just turn into shouts. And of all things, school buses -- or a lack thereof -- may be the proverbial canaries in coal mines in showing how punishing those caps are to districts small and large, rural and urban.

Enacted in 2008 and placed into the state constitution in 2010, the tax caps place limits on how much property owners are liable to pay, with the use of what is termed a "circuit breaker." Once a property owner hits a 1, 2 or 3 percent threshold of the gross assessed value of the property they hold, depending on the type, they do not have to pay any more. A referendum can be called, with no guarantee of success or failure, if a taxing body would want more funding. Fort Wayne and Allen County have seen both outcomes. However, the tax caps themselves are here to stay...but costs of goods and services continue to increase. When it comes to the four local public school districts, Southwest Allen County Schools is fortunate. Its bus replacement and transportation funds, which are derived from revenues gleaned from property taxes, are fine...for now.

Fort Wayne Community Schools, Northwest Allen County Schools and East Allen County Schools, on the other hand? They're bleeding cash, with some of the biggest wounds showing up in transportation. "As of today, right now, we don't have that problem," said Jim Coplen, the business manager for Southwest Allen County Schools. SACS transports about 7,000 students daily. "We don't have any immediate issues with the current funding for buses and transportation." "However -- and there's always a however, when it comes to things like this --if we continue to see losses in the future and ways to combat those losses aren't addressed, we could have some very real issues in the future." What kinds of measures are available to school districts, with the tax caps built into the state constitution? None that will likely be met with universal praise, with some possibly falling under the definition of extreme.

### **Something has to give**

First of all, students with special needs are guaranteed transit to public school, while districts are not allowed to charge individual user fees for bus service to and from school for the educational day -- which, if you think about it, makes sense, since the law compels parents to ensure the education of their children in the first place. However, some potential options for increased revenue, or reduction in costs, do exist. User fees for extracurricular activities are allowed, as are referendums where taxpayers could be asked to help pay for revenue shortfalls.

Also possible is the scaling back of bus service, if not outright elimination of routes, as well as the most extreme of solutions: total elimination of transportation services entirely -- and don't scoff. **That option is legally possible.**

While both Coplen and Krista Stockman of Fort Wayne Community Schools said that potential elimination of bus service is not a realistic option for their districts, Superintendent Chris Himself of Northwest Allen Schools does not make that same claim. In January, for example, Muncie Community Schools was denied a waiver by the Indiana Department of Education to end bus service after this school year after a property tax increase via referendum was rejected by voters. But not because that would've caused a hardship to students or parents. It was because Indiana law requires three years' advance notice before that service can be ended, and Muncie Community Schools would have given just a year's notice, according to published reports. "We would not do away with busing entirely for our district. This is not a reasonable option, nor would we want it to be," Stockman said. "Chances are, something is going to change. But for us...(total elimination) is not an attractive option for us."

Stockman said FWCS is already feeling the pinch in its fund for bus replacement, which is supposed to be on a 12-year cycle. According to budget information provided by the district -- numbers that have to be approved by the state -- the district lost nearly \$257,000 in revenue in 2013 in funding for bus replacement and a whopping \$2.7 million from its transportation fund due to the effect of property tax caps. "We're already starting to fall behind on bus replacement, though they are still safe because we stay up-to-date on maintenance," Stockman said.

However, the concern with that is simple: The older the buses become without replacement, the more maintenance is required to keep them running and safe. That means personnel and equipment costs can and will grow, which is still funding that must be available. Stockman explained that the scaling back of bus service is something that could be discussed by the district. Currently, Stockman said, FWCS isn't militant about enforcing some of its transportation standards.

For example, elementary school-aged children who live within 1 mile of their school, or middle-school students who live within 1.5 miles, or high school students who live within 2 miles, are among those potentially not eligible for bus service, but Stockman said that the district doesn't strictly enforce that standard.

If FWCS did embrace tighter transportation codes, Stockman explained, the district could then see a need for fewer buses, with fewer drivers, with fewer costs for maintenance and replacement -- and an almost guaranteed rise in complaints from parents who will be less than pleased that their children were impacted by a decrease in service.

"The tax caps are doing exactly what they're intended to do, but they are definitely not helping public schools," Stockman said. "That's the danger of putting something like that in the constitution. You can't very easily make adjustments to problems that you didn't foresee -- though we did see problems like these coming, and said so."

### **Not all solutions fit all districts**

However, something like increasing the distance that students would walk just might not be feasible for a district like Northwest Allen County Schools, which is more rural and had schools built before subdivisions began populating the district. As Himsel explained, that means the district really doesn't have many schools that could be described as "walk-ins." Himsel said Carroll Middle and Carroll High School, as well as Eel River Elementary, are schools where some students could potentially walk.

But outside of those, it becomes impractical. Himsel estimated that there are as much as 15-mile transits for two of the district's lengthiest routes in NACS, through any manner of traffic challenges, and when faced with those realities, Himsel did not tap-dance around the subject. "The bottom line is that we're going to need to do something, and **there are really only three options that are available,**" Himsel said.

**"We can eliminate the service. We can ask for a referendum and hopefully see it pass. Or we can get legislative relief.** Those are the three options, and our community just has to decide," Himsel said. "The reality is, if there's no means present, we have to make those kinds of tough choices." Himsel explained that NACS' transportation revenues have not increased over the past four years, but the district now transports 500 more students than four years ago, with associated routes supporting that level of transit. Himsel said NACS saw an estimated loss of \$400,000 that would have gone into the transportation fund in 2013.

Of NACS' roughly 6,850 students, Himsel said anywhere from 60 to 80 percent are transported by the district, with higher numbers consistently seen during instances of inclement weather. The district has already taken steps to address transportation fund challenges like eliminating transit for field trips, charging fees for extra-curriculars, and "double- and triple-looping" routes, which means student pick-up times are staggered along the same routes...with some children being picked up as early as 6 a.m. for classes that start at 7:45 a.m., as a result. Himsel said, in no uncertain terms, that measures like that simply will not be enough, as more and more property owners hit the circuit breakers for tax caps.

"They've been impacting us all along, in a very big way. We can't ignore it. Northwest Allen will always live within its means," Himsel said. "What the community will have to decide is what they want us to do. Do you want us to shift money from building maintenance, put off repairs to buildings, risk leaks and water damage and mold? Things like that? Or do you want us to provide transportation?"

"We don't have years and years to decide. We just simply need to know which direction the community wants us to go."

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