

TAKING ON TRANSPORTATION



After extensive deliberation and careful consideration, the Board of Education approved the purchase of Fallert Bus Service's fleet, property and Bus Barn effective July 1, 2024.

During the 2023-2024 year, SG R-II and Fallert Bus Service were in the second year of a five-year contract for transportation services. Last fall, Fallert Bus Service representatives expressed their desire to retire before the current contract expires, preferably at the end of the 2023-2024 school year.

This was an unanticipated situation for this school year, and the district needed time to investigate options, enlist experts, and identify the best path forward.

making the decision

After months of careful consideration, it was determined that the best course of action for the district would be to self manage transportation services. The following highlight the reasoning behind this recommendation:

1. The district will be able to efficiently and effectively transition operations while maintaining the high-quality service our families rely on.
2. This enables us to retain valuable Fallert Bus Service employees with extensive knowledge and experience in transportation.
3. It provides us with financial stability and control over future transportation costs, safeguarding against potential increases from unaffiliated external providers who are not local.
4. The majority of rural school districts today manage their own transportation services. Within the MAAA schools of which the district is a member, all of the districts manage their own transportation.

current employees

District administration met with Fallert Bus Service employees prior to the information being made public in order to share the news, answer as many of their questions as possible, and hopefully minimize any anxiety related to the transition.

The district will hire a Director of Transportation, who will spend the first year learning the ropes. Our focus is to learn how things are currently managed. Any changes the first year would be requirements either from DESE or state statute—a public school district running its own transportation has requirements that private companies contracting transportation services do not.

financial overview

District administration spent months investigating the following items: working with Fallert Bus Service to determine property value and fleet value; surveying surrounding districts to develop appropriate operational cost analyses; enlisting the help of DESE to determine anticipated transportation reimbursements and funding; consulting our law firm to ensure the district is operating within the proper parameters; and working with LJ Hart, the district's financial advisor, to determine if taking on this service is possible, and how to ensure that this move creates the least financial burden possible going forward.

The district has entered into a five-year lease-purchase agreement to purchase the property, the Bus Barn and the fleet. This softens the financial impact by spreading out the payments in order to absorb the expenditure over a period of time.

Over the last several years, prior district administrators worked to increase our fund balances in anticipation of future financial challenges (including ongoing tax protests by LafargeHolcim, MLC (previously Mississippi Lime) and Lhoist, where a large portion of tax monies are being held in escrow rather than disbursed to the district and other taxing entities). "We need to be prepared to support our assessor and the other taxing entities in those legal battles," Superintendent Dr. Paul Taylor said. "That's not going away. But there are some reserve funds that we can utilize for annual operational costs and to address the aging fleet if need be."

The district is estimating a roughly \$500,000 deficit the first year, which includes that high estimate of \$1.7 million for operational expenses. This budget is also dependent on funds reimbursed through the Department of Elementary and Secondary Education (DESE) for transportation (this was fully funded at 75% this past year, but is not set going forward.) "My approach is to maintain what prior superintendents have done, and that is to be aggressive with expenditures projections and conservative with revenue projections," he said.

nonpublic partners

Dr. Taylor stressed that the decision to recommend the integration of transportation was not made lightly. "I did everything I could to identify a better option, because one of the consequences of Missouri public school districts

running in-house transportation is not being able to transport nonpublic students. This would be a violation of the Missouri Constitution, and the decision has also been upheld in subsequent court cases.

"This was not something that we were looking to do," he said. "It was absolutely not our choice. Our nonpublic school districts have been good partners with us for many, many years. If we had the choice, we would partner with them and continue to transport their students."

Dr. Taylor shared with our nonpublic partners that we are committed to assisting in any other way possible. The district will include our nonpublic partners in any conversations regarding surplus buses, and will also check into whether it would be possible for the district to offer space and maintenance for transportation vehicles owned by other entities.

looking to the future

By integrating transportation services into district operations, we can ensure that the district has control over transportation costs down the line, which in turn will save our taxpayers money.

There is value in owning the property, as well as the Bus Barn. This purchase offers the district options in the future— If later on, the district were to decide to publish an RFP and utilize an external company for transportation services, we could do so, while continuing to own the property and Bus Barn. This would ensure that the district retains some control over any future contract, as an external service would be utilizing our spaces and property. "Fallert Bus Service is a hometown company, they're hometown people, they're dedicated, we know them," Dr. Taylor said. "With an outside entity coming in, we wouldn't know what we were getting. We might get a good deal for the first year or two, but what do we do after that?"

next steps

A Director of Transportation will be in place by July 1, 2024. Moving forward through the summer and approaching the next school year, we will keep transportation employees and families updated on any developments and address any questions or concerns that may arise.

THANK YOU, FALLERT BUS SERVICE

We would like to thank Fallert Bus Service for all of their hard work and dedication over the years. Our relationship has been decades-long, and they have proven to be fantastic partners who have worked so hard to run a quality transportation service for our students and families.