

# Pupil Transportation Grants to School Boards

---

## BACKGROUND

The *Education Act* does not specifically require school boards to provide transportation for students. Rather, the *Act* excuses a child from attending school if transportation is not provided by a school board and there is no school that the child has a right to attend within the walking distances specified in the *Act*. These distances range from 1.6 kilometres for children under seven years of age to 4.8 kilometres for children over ten years of age.

Although the *Act* does not require them to provide transportation services, all school boards in Ontario provide service to elementary students and most provide service to secondary students. The transportation of students from home to school and back is a major undertaking as approximately 800,000 students are eligible for service under the eligibility criteria established by each school board. The Ministry's transportation grants to school boards for the year ended March 31, 2000 totalled \$575 million, or about 4.4% of the \$13.2 billion of school board funding entitlements.

During the 1993 to August 31, 1999 period, total transportation expenditures across the province declined from approximately \$622 million to \$576 million or by 7%. Since the number of students receiving service during this time increased, the expenditure per eligible student experienced a slightly greater decline, from approximately \$780 to \$710 or 9%.

Boards currently receive grants based on their 1997 transportation expenditures with adjustments for changes in enrolment. However, the primary factor influencing a school board's transportation costs is not total enrolment. More important are local factors, such as enrolment density, which ranges from over 400 students per square kilometre in Toronto to less than one student per square kilometre in 25 rural, northern, and French language boards. Because of the differences in local circumstances, the Ministry was in the process of designing a formula for calculating pupil transportation grants that is based on need rather than enrolment. The Ministry expected to implement the new formula in time for the school boards' 2001/02 fiscal year.

Administration of the funding model, including grant calculations and payments to school boards, is the responsibility of the Ministry's Elementary/Secondary Business and Finance Division.

---

## AUDIT OBJECTIVES AND SCOPE

Our objectives were to assess whether the Ministry had established satisfactory systems and procedures:

- to fund and deliver pupil transportation services that are economical, efficient, safe, reliable and in compliance with related laws, regulations and policies; and
- to measure and report on school board and Ministry performance in this regard.

Our audit was performed in accordance with the standards for assurance engagements, encompassing value for money and compliance, established by the Canadian Institute of Chartered Accountants, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

### 3.05

---

The *Audit Act* does not provide the Provincial Auditor with access to the information necessary to perform value for money audits of school boards. However, we needed to obtain an understanding of school board transportation policies, systems and processes in order to address our audit objectives. We therefore reviewed the relevant policies, systems and processes at 10 of the 72 school boards: three English public, two French public, three English Catholic and two French Catholic. These boards received about 21% of the provincial transportation grants.

We also met with the transportation managers of several other school boards. Our work at the boards was not an audit and consisted only of inquiry and analysis of available documentation.

The criteria we used to perform our assessments and to reach our observations and conclusions were agreed to by senior management at the Ministry and the school boards that we visited.

As the Ministry's Internal Audit Services Branch is not permitted to examine school boards, it had not done any work upon which we could rely to reduce the extent of our work.

Our work was conducted from January to June 2000.

## OVERALL AUDIT CONCLUSIONS

The Ministry was in year three of a five-year plan to implement a revised funding and accountability relationship with school boards. It had not yet established the systems and procedures needed to ensure the economical and efficient delivery of pupil transportation services. Although we found examples of good practices at most of the school boards we visited, the Ministry had not yet established mechanisms to encourage the adoption of such practices by all boards. Most transportation managers we met with acknowledged that further efficiencies could be achieved by adopting proven changes made at other boards. However, some stated that their boards were reluctant to implement further efficiencies until the Ministry finalized the formula for calculating transportation grants. Boards wanted assurance that any savings they realized would accrue to them and not to the Ministry.

Making informed decisions about transportation policies requires reliable information about the impact of different service levels on costs. However, we found a serious lack of meaningful information on the operations and performance of school board transportation services, as neither the Ministry, nor the trustees at most school boards that we visited, required such

information to be collected and reported. In particular, there was insufficient information to enable either trustees or the Ministry to relate costs to the level of service provided, which varied significantly among the boards we visited. As a result:

- neither the Ministry nor board trustees were in a position to compare the current year's performance of board transportation services to past years or to those of other boards, or to assess and report on the economy and efficiency with which transportation services were delivered; and
- because the Ministry still lacks the information required to develop a needs-based formula for determining pupil transportation grants, finalization of the formula has been delayed.

We also concluded that:

- significant inconsistencies in transportation services and policies existed among school boards, which warrants a review and clarification of the legal obligations and policy requirements that govern the provision of pupil transportation services;
- little information was available to enable boards to track and manage the significant proportion of transportation costs incurred to provide transportation services to high-needs students; and
- funding inequities will persist if transportation grants are used to avoid safety hazards that are normally a municipal responsibility to address.

## DETAILED AUDIT OBSERVATIONS

### *EFFORTS TO REDUCE TRANSPORTATION COSTS*

We met with three transportation managers whose boards had taken a number of initiatives to reduce costs and who, because their boards not been subject to amalgamations, were able to provide us with historical information about their cost reduction efforts, which are summarized in the table below.

**Reduction in Pupil Transportation Costs**

	Board/Consortium			Provincial Average
	A	B	C	
Expenditures in 1993 (\$ 000)	19,400	38,900	5,980	622,000
Expenditures in 1999 (\$ 000)	16,800	29,600	4,590	576,000
Percentage Change	(13%)	(24%)	(23%)	(7%)
Per Eligible Pupil 1993	720	840	650	780
Per Eligible Pupil 1999	560	720	460	710
Percentage Change	(27%)	(14%)	(29%)	(9%)

*Sources: Three school boards not affected by amalgamation and the Ministry of Education*

## 3.05

---

The savings initiatives implemented by these boards included:

- reducing the number of buses required by staggering school operating hours, increasing cooperation with neighbouring boards, planning services based on actual rather than eligible ridership and using route planning software to optimize bus route networks;
- reducing service, such as eliminating home pick-ups;
- altering kindergarten programs to eliminate midday busing; and
- reducing rates paid to school bus operators.

As the table shows, the percentage reduction in both total and per-eligible-pupil transportation expenditures achieved by these boards was significantly higher than the provincial average. Transportation managers we met with at other boards acknowledged that further efficiencies could be achieved by adopting proven changes made elsewhere and by experimenting with new strategies, such as integrating school bus service with municipal transit services. However, some transportation managers indicated that their boards were reluctant to implement further efficiencies until the Ministry finalized the design of the transportation grants in order to ensure that any savings they realized would accrue to them and not to the Ministry. In their view, because the Ministry is funding boards at their 1997 level of transportation expenditures, boards that made significant efforts to reduce their costs prior to 1997 were being treated inequitably relative to boards that had not made similar improvements.

The efficiency and economy of pupil transportation services was considered by the Ministry's Transportation Funding Review Committee and by the Education Improvement Commission. The latter body was established by the Minister in 1997 to help ensure that Ontario's new district school boards were established in an organized and appropriate manner.

One of the key recommendations of the Transportation Funding Committee was that a new needs-based funding formula be developed. The Ministry initially committed to having the new formula done by February 2000, but, due to changing policy priorities, this has now been targeted for completion by February 2001. The delay has also resulted from the lack of information needed to complete this critical project.

Both the Transportation Funding Committee and the Education Improvement Commission also recommended that all boards deliver transportation services through local "consortia," whereby boards serving the same area jointly provide transportation services. Based on our visits and discussions, which included boards that participate in a consortium, we support that recommendation. In addition to the potential for savings from greater sharing and integration of routes, we were told that consortia offer a number of other benefits including:

- a more consistent level of service to all area parents and students regardless of the board they support or who their trustee happens to be;
- economies of scale that result in more cost-effective administration; and
- sufficient scale of operations to establish effective performance monitoring and reporting functions for both school bus operators and transportation services overall.

## **Recommendation**

To help ensure that school boards implement best practices to deliver transportation services as cost-effectively as possible, the Ministry should:

- expedite the development of the new funding formula;
- ensure that the new funding formula contains incentives for boards to implement cost saving measures; and
- establish target dates for school boards that have not already done so to either form transportation consortia or submit a business case demonstrating why it would not be beneficial for them to integrate the delivery of their transportation services.

## ***Ministry Response***

***The Ministry is committed to developing a new funding approach for the 2001/02 school year.***

***Incentives for cost reduction will be assessed as options in the Ministry's funding approach. For example, the Ministry is considering options for using the funding approach to encourage boards to form consortia. Funding incentives/disincentives will be more effective than establishing target dates to form consortia.***

# ***INFORMATION FOR DECISION MAKING***

## **INFORMATION ON POLICY ALTERNATIVES**

In addition to eligibility criteria, there are a number of policy decisions that school boards make that have a significant impact on the cost of providing transportation services. For example, boards:

- determine the extent to which bell times among their schools should be staggered to enable buses to be used for more than one school (bell times are the times at which classes start in the morning and end in the afternoon);
- set window times (windows are the maximum interval between morning drop-off and the starting bell time, and afternoon pick-up and the ending bell time); and
- set the maximum run time (the run time is the length of time that the first student to be picked up spends on the bus).

The following table summarizes the decisions made by the boards we visited with respect to these policies.

**Sample of Transportation Policies at School Boards Visited**

	Board/Consortium						
	1	2	3	4	5	6	7
<b>Bell Time Range (minutes)</b>							
• Elementary	60	55	90	45	n.a.	75	60
• Secondary	60	15	65	45	n.a.	60	20
<b>Window (minutes)</b>	15	20	15	20	n.a.	15	15
<b>Maximum Run Time (minutes)</b>							
• Elementary	60	60	60	60	45	60	60
• Secondary	60	60	60	90	60	90	60

*Source: School boards visited*

# 3.05

In each case trustees must balance costs against the reasonableness of alternative policies for students, parents and staff. Longer ranges for staggering bell times and longer window times help boards reduce the number of buses needed by enabling buses to be used on more than one run—for example, delivering students to one school at 8:00 a.m. and a second school at 8:30 a.m. Longer run times enable boards to reduce the number of buses by enabling each bus to pick up more students. The price of these initiatives, however, is less convenience for parents and students.

Making informed policy decisions on these matters requires reliable information about the impact of each alternative on costs, but only one board visited was able to produce such information. In connection with their review of bell times and windows, trustees at this board wanted cost information about four alternatives. Management was able to provide trustees with the impact of each alternative on transportation expenditures, which ranged from a saving of approximately \$200,000 to additional costs of \$320,000 per year.

Another board that was not in our sample provided us with information about cost saving initiatives that it had provided to its constituents and trustees. Transportation management was able to provide trustees with the savings attributable to each of several initiatives taken by the board to reduce costs, such as route optimization and staggering bell times. These savings amounted to over 10% of the board’s transportation budget.

Most of the boards we visited had difficulty providing trustees with such information due to the extent of manual work involved in developing their bus route networks. To identify the impact of different alternatives on costs, the entire route network must be reworked for each alternative. This is a time consuming and expensive task unless a board relies almost completely on transportation software to design its network. However, only one of the boards we visited was in this position. The others advised us that transportation planning personnel determined 20% to 30% of the actual network of routes used. Consequently, the information provided to trustees to enable them to make informed transportation policy decisions was limited at most boards visited.

Informed decision making and public debate is also assisted by publishing the rationale underlying each policy. However, none of the boards we visited had performed or documented any assessment of the reasonableness of the policies in relation to the affected students. Instead, the transportation managers at these boards advised us that the level of service was primarily determined by the amount of the transportation grant and, to a lesser extent, the

---

practices at nearby boards. Thus, boards that spent comparatively more on transportation prior to 1998, and, as a result, received comparatively generous funding from the Ministry, could afford a higher level of service than other boards.

## PERFORMANCE INFORMATION

The Ministry had not obtained and analyzed transportation operating data from school boards. Consequently, the Ministry was not in a position to:

- establish benchmarks against which trustees can assess the efficiency/economy of transportation services; and
- identify and promote best transportation practices.

The information required by trustees in order to meet their responsibility to monitor the performance of their board's transportation operations is also required by the Ministry to develop a needs-based formula for calculating transportation grants. Some examples of information that most boards we visited did not provide to trustees included:

- **Ridership percentage:** Most boards did not regularly count riders and track the percentage of eligible students who used the service. In these boards the number of buses needed was determined based on eligible rather than actual riders. Boards that have performed counts discovered that the ridership percentage was often much less than 100% and have been able to reduce costs by more closely aligning capacity with actual use. For example, one board stated that in doing so, it was able to reduce its costs by approximately 10%. In addition to identifying opportunities to reduce costs, monitoring trends in the ridership percentage may provide trustees with evidence of the degree of satisfaction with the service.
- **Reliable capacity utilization measures:** A number of factors influence a board's overall capacity to safely transport students, including the size and number of buses used, the age of students and the potential for multiple runs with the same bus. Trustees at the boards we visited had not received meaningful and reliable information about actual capacity and ridership. Consequently, they were not in a position to compare their board's utilization of buses to other boards or assess how efficiently their board was using buses.
- **The costs and benefits of performing transportation planning and administration in-house versus outsourcing these functions:** Although all the boards we visited had reduced costs by using third parties to deliver bus services, only two had investigated the use of third parties to deliver planning and administration services and both had decided to outsource these services.
- **A breakdown of service deficiencies and complaints by category and an analysis of year-over-year trends:** Two of the boards that we visited advised us that they would start providing this performance measure to trustees in connection with their implementation of updated versions of their transportation software.

## 3.05

- The results of performance audits of their service providers: Most boards we visited either did not conduct performance audits of bus or taxi operators, or did so in a sporadic, informal manner without standard audit programs or reporting of results. Such audits would include, for example, determining the level of compliance with safety provisions in contracts, such as the adequacy of driver training programs, and verifying the appropriateness of kilometre charges. Trustees did not receive information about such matters and consequently, were not in a position to monitor year-over-year trends.
- Information that relates costs to the level of service provided: The annual expenditure information that trustees were receiving was not sufficient to enable them to assess the efficiency and economy of their board's transportation services. For example, transportation management can reduce year-over-year expenditures by reducing service, such as eliminating service for secondary students. However, such action does not increase efficiency: it is simply less service for less money. On the other hand, reducing the number of buses needed while serving the same number of students, perhaps by optimizing the route network, does represent an increase in efficiency.

Without information that relates costs to level of service, trustees cannot compare the current year's operations to those of past years. Such information would also enable the Ministry to establish benchmarks against which it, trustees, and the public can assess the relative efficiency and economy of board transportation services. It would also enable the Ministry to identify and promote best transportation practices.

### **Recommendation**

**To facilitate prudent decision-making and strengthen local accountability, the Ministry should:**

- **ensure that boards acquire and utilize information systems that can provide the information needed to enable trustees to make informed decisions about the level of transportation services offered; and**
- **require boards to develop reports that relate costs to level of service in order to ensure that the Ministry and trustees can compare boards to each other and to established benchmarks.**

### ***Ministry Response***

***The Ministry's new funding approach will require boards to implement student transportation management software. As a result, boards will have more useful and accurate information.***

***In the meantime, the Ministry is developing a survey to collect the data needed for decision making. The Ministry also announced, in March 2000, an interest-free loan program to assist boards to implement student transportation management software.***



***As part of its new funding approach, the Ministry is developing cost benchmarks. Also, the required student transportation management software will give boards a greater capacity to evaluate the cost impacts of different service levels.***

***In July 2000, the Ministry released a Request for Qualification for student transportation management software to ensure that the products that boards acquire will meet the Ministry's information needs and that the information obtained is reliable for use in determining boards' needs.***

## **CLARIFYING LEGAL AND POLICY REQUIREMENTS**

Transportation grants to school boards have been unconditional since 1995. For example, school boards are not required to implement certain minimum eligibility and service policies that are designed to provide a basic or core level of service. In fact, there is no ministry requirement to provide any service at all. The Ministry advised us that whether a board spends all, some or none of the grant on transportation is a matter for trustees and the local community to decide and that this will continue to be the case under the new formula for calculating transportation grants.

Although the new formula will not include a requirement to provide a core level of service, it is the Ministry's objective to provide each board with an equitable share of the available transportation funding such that each board is in the position to provide a core service. It intends to do this by computing a "needs index" for each board using commercially available transportation software created specifically for school boards. These software packages use digitized area maps, student data, such as their addresses and the schools they attend, and various policy inputs, including walking distances, maximum run times and bell times, to design the bus route network that minimizes the number of buses that a board requires. This number will be a key factor in determining a "needs index" for each board. Grants will be calculated by multiplying the indexes by a ministry-determined standard cost factor.

Although the Ministry expects trustees and the local communities to debate what portion of the grants should be spent on transportation services, we did not find evidence that such debate was taking place. Instead, as the table below shows, the level of service provided was related to each board's grant. For example, some boards eliminated service to older students in order to stay within their grant level.

**Transportation Service Eligibility and Expenditures  
of School Boards Visited**

	Board/Consortium						
	1	2	3	4	5	6	7
Pupils per km <sup>2</sup>	49.1	24.1	29.1	13.6	71.2	0.7	0.3
Percentage of Students Eligible for Service	27.2%	40.0%	37.4%	61.1%	32.5%	67.3%	92.0%
Expenditures Per Enrolled Student	\$195	\$163	\$265	\$480	\$235	\$380	\$1,007
Expenditures Per Student Eligible for Service	\$716	\$407	\$710	\$786	\$723	\$585	\$1,095
Walking Distances (km):							
• Kindergarten	1.6	1.2	1.0	0.8	1.2	0	0.8
• Grades 1–3	2.4	1.6	1.6	1.6	1.2	1.5	1.5
• Grades 4–6 Urban	2.4	1.6	2.4	1.6	1.6	1.5	1.5
• Grades 4–6 Rural	3.2	1.6	2.4	1.6	1.6	1.5	1.5
• Grades 7 and 8: Urban	2.4	1.6	Not Offered	1.6	1.6	2.5	1.5
• Grades 7 and 8: Rural	4.8	1.6	3.0	1.6	1.6	2.5	1.5
• Grades 9–OAC: Urban	Not Offered	Not Offered	Not Offered	3.2	4.8	4.0	3.2
• Grades 9–OAC: Rural	4.8	1.6	4.0	3.2	4.8	4.0	3.2

*Source: School boards visited*

# 3.05

This is consistent with what transportation managers told us about their mandate: their trustees expected them to provide as much service as possible within the grant amount. We saw no evidence at these boards that the transportation grant was viewed as being available for reallocation to other programs if it could be demonstrated that such programs were of higher priority than transportation services. None of them published information that was specifically designed to assist trustees and the public in assessing the relative priority of their board’s various programs. The Ministry has not provided boards with any guidance about the type of information they should publish in order to facilitate public debate about spending priorities.

We also found a lack of guidance from the Ministry to boards about their legal, legislative and regulatory obligations with respect to student transportation services. We noted that:

- While most boards we visited understood that, under the *Education Act*, transportation is a privilege and not a right, some boards believed that parents could successfully sue their board if it did not provide service to students living outside the walking distances specified in the Act. Trustees and local communities cannot properly debate the level of service to provide if there is uncertainty about the boards’ legal obligations.
- The *Education Act* does not permit boards to recover costs from those using the service, as is allowed in Alberta for example, because there is no specific provision in the Act that allows school boards to charge fees for such services. As a result, we found that:
  - Urban secondary students were treated inequitably vis-à-vis rural and suburban students within the same board. At some boards, urban secondary students must pay to use municipal transit systems whereas the board provides free service to rural and suburban students. Although the Ministry is not opposed to the elimination of service for urban secondary students, it would oppose a board raising, through service charges, the funds required to provide equitable service to all secondary students.

- 
- There was little flexibility in meeting the needs of parents who were willing to reimburse the school board for the cost of additional service, such as transportation to after-school day care for elementary students. However, recovering the costs of such non-core service would conflict with the Ministry's position that services should be provided free or not at all.

### **Recommendation**

**To help ensure that school boards provide transportation services that meet local needs in an equitable manner and adhere to policy and legal requirements, the Ministry should:**

- **provide guidance to boards on the spending and service level information that they should publish in order to facilitate informed public debate among trustees and their community; and**
- **clarify the legal and policy parameters that it expects boards to operate within.**

### ***Ministry Response***

***The Ministry's long-term goal is to increase public reporting in all aspects of education, including transportation. The student transportation management software will provide boards with the information necessary to meet ministry reporting requirements and to facilitate informed public debate.***

***Part of the Ministry's overall strategy is to base funding levels on uniform policy parameters (such as walking distances). These policy parameters will serve as benchmarks and help boards make appropriate decisions about service levels.***

## **TRANSPORTATION OF SPECIAL NEEDS STUDENTS**

All of the boards that we visited believed that the cost of transporting students with special needs was a significant portion of their overall transportation expenditures. Among those boards that had the necessary cost information, it ranged from 18% to 40% of transportation expenditures, as shown in the following table.

### Special Education Transportation Data for School Boards Visited

	Board			
	1	2	3	4
Percentage of Enrolment Designated as Special Education	6.2	1.5	11.9	12.2
Percentage of Transportation Expenditures on Special Education	40.2	23.9	35.2	18.2
Annual Per Pupil Cost – Special Education	\$3,380	\$4,460	\$2,310	\$3,520

*Note: Only four boards visited could provide us with special education transportation information and we have not verified its accuracy.*

## 3.05

The cost for each special needs student ranged from a few hundred dollars per year, for those that could be transported with general education students, to several thousand dollars per year for high-needs students, where taxis or specialized vehicles had to be used. For a few very high-needs students, the annual cost per student was several tens of thousands of dollars.

As the table above illustrates, the incidence of special needs students and the cost of transporting them varies significantly among boards. In order to design an equitable formula for calculating transportation grants, the Ministry must take into account differences in special needs transportation requirements. One way for the Ministry to accomplish this would be to move a portion of the Transportation Grant into the Special Education Grant.

Such an approach would also encourage boards to correct another problem we encountered. Superintendents responsible for special education have de facto spending authority for the transportation of special needs students without being accountable for the costs: they arrange for student transportation through the board's transportation manager and the costs are absorbed by the regular transportation budget. We noted that at the boards we visited only one superintendent who was responsible for special education regularly received cost information.

As a result of this split in spending authority and accountability for costs, neither the trustees nor the Ministry have assurance that all costs, including transportation, are considered in designing and locating special education programs or in making program choices. Correcting the split would help ensure that the most economical method is selected to achieve the educational objectives for each special needs child.

#### Recommendation

**To enhance accountability and to ensure equitable funding of transportation for special needs students, the Ministry should:**

- **require boards to track and report these costs separately; and**
- **consider funding transportation costs for high-needs students through the Special Education Grant.**

### **Ministry Response**

***With the implementation of student transportation management software, reliable operating and cost data will be more readily available. In the meantime, the Ministry's survey to collect the data needed for decision-making will include gathering information about the transportation of special needs students.***

***The Ministry will consider the option of including funding for special education transportation under the Special Education Grant as part of the new approach to funding student transportation.***

## **FUNDING POLICY FOR SAFETY HAZARDS**

Many students, who would not otherwise be eligible, receive transportation services due to the existence of safety hazards, the criteria for which vary from board to board. Examples of hazards include busy intersections, lack of sidewalks, and physical barriers like ravines.

Neither the Ministry nor the boards have information about the impact of hazards on transportation costs. Only three boards visited had tracked the proportion of students they transported because of safety concerns. At those boards, the proportion ranged from 14% to 36% of the total number of students transported. Such a wide variation can have a significant impact on transportation costs and, therefore, on ministry funding requirements.

Most safety hazards of which we were advised are the responsibility of municipal governments to manage and can be corrected, for example, by employing crossing guards or installing traffic lights, sidewalks or pedestrian bridges. The practices of boards in dealing with hazards vary across the province. Some provide transportation services to all students affected by hazards; some advise parents that it is up to the municipality to eliminate hazards and refuse to use education grants to cover municipal responsibilities; and others take a case by case approach.

However, none of the boards we visited had worked with municipalities to develop a mechanism whereby the costs and benefits of removing a hazard versus incurring the cost of busing were analyzed and the more cost-effective option taken. A more consistent level of effort by boards and municipalities to find cost-effective solutions to address safety hazards could result in substantial savings. According to the boards we visited, each bus that can be eliminated by correcting hazards would save them \$30,000 annually.

The Ministry advised us that it intends to factor hazards into the new formula for calculating transportation grants, although it had not yet established the criteria for determining what constitutes a fundable hazard. Our concerns are as follows:

- Incorporating hazards into the funding mechanism would be inequitable for jurisdictions where municipalities have eliminated hazards at the request or insistence of local school boards.
- Such funding would eliminate any incentive for boards to require municipalities to eliminate hazards as the savings would accrue to the Ministry. Thus, taxpayers would lose in situations where eliminating a hazard is more cost-effective than busing.

## 3.05

- 
- Arriving at a consistent province-wide definition of a safety hazard for funding purposes may be difficult and lead to disagreements over whether the Ministry is providing sufficient funds for boards to ensure the safety of students.

### **Recommendation**

**To better ensure that transportation grants are equitable and utilized in a cost-effective manner, the Ministry should:**

- **clearly specify the conditions, if any, under which it is appropriate for school boards to use transportation grants to address municipal responsibilities; and**
- **ensure that the funding mechanism provides incentives for school boards and municipalities to work together to implement the most economical solutions for addressing safety hazards.**

### ***Ministry Response***

***The Ministry agrees that responsibility for safety hazards is a significant issue that must be addressed in the funding review. There is a need to achieve greater consistency among boards in the definition of a safety hazard for transportation purposes.***

***The review process is exploring options to ensure that there is an appropriate distribution of responsibility and accountability for the safety of pupils while en route to and from school.***