

DATE: May 6, 2025

TO: Board of Trustees

FROM: Darrel Robertson, Superintendent of Schools

SUBJECT: Transportation Fees for 2025–2026

ORIGINATOR: Cliff Richard, Chief Infrastructure and Technology Officer

RESOURCE STAFF: Alison Cheesbrough, Geoff Holmes, Haydn Sanchez Avery, Christopher Wright

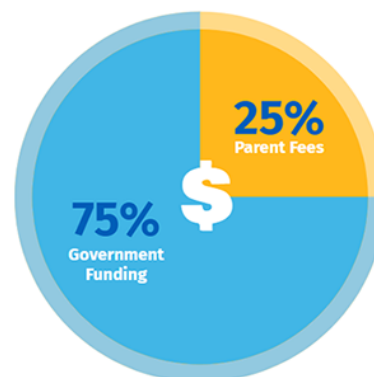
REFERENCE: [Student Transportation Task Force: Report to the Minister](#)
[Student Transportation Regulation](#)
[Funding Manual for School Authorities 2025–2026 School Year](#)

ISSUE

Administration submits proposed student transportation fees to the Board of Trustees for review on an annual basis. Fees were last reviewed by Trustees at the May 14, 2024 Board meeting where the Board voted to maintain fees at the 2023–2024 level. Administration is recommending that yellow bus transportation fees be increased for 2025–2026 in response to an anticipated operational deficit due to a decrease in the provincial student transportation funding allocated to our Division.

BACKGROUND

Student Transportation is funded from provincial transportation grants and student transportation fees. Bus pass fees help cover the cost of providing bus service; however, parent fees only cover a portion of the Division's transportation costs. In the 2024–2025 school year, provincial funding is anticipated to account for approximately 75 per cent of overall revenue, while parent fees will cover the other 25 per cent.



In spring 2020, the Government of Alberta created a Student Transportation Task Force to review student transportation service across the province. The Task Force was composed of various stakeholders, including Edmonton Public Schools, and based on their recommendations, in February 2023, a new model for Student Transportation was announced that provided additional funding and changed transportation service delivery parameters. The changes increased funding for Student Transportation by approximately 22.5 per cent for 2023–2024 in order to address many of the challenges the yellow bus transportation industry has been facing related to increased costs, greater demand for service and a shortage of bus drivers.

Student Transportation staff continue to work to find efficiencies within a growing system to minimize costs while providing reasonable and sustainable transportation services. For example, the Division

currently uses the same number of bus routes as in March 2020 (approximately 830), but accommodates 21 per cent more riders with a similar average ride time (27 versus 26 minutes).

Student Transportation accumulated a budget surplus in recent years due to the inability to hire sufficient drivers due to an ongoing shortage. The provincial School Transportation regulation states that any surplus from transportation fees charged must be used to subsidize the cost of transportation of students in the two school years following the school year in which the surplus was collected. In the fees report presented at the public Board meeting on May 14, 2024, Student Transportation indicated that approximately \$2.2 million of accumulated surplus funds would be used to avoid fee increases and improve service for the 2024–2025 school year.

Student Transportation's funding for 2024–2025 has been reduced by approximately \$2.8 million in comparison to the funding profile originally provided in Spring 2024. This shortfall will mean that Student Transportation will need to access greater accumulated transportation surplus funds in 2024–2025 than originally anticipated.

Parallel to the funding adjustment, the Division was notified on December 16, 2024 that the provincial government would be updating the distance used in determining transportation eligibility for elementary students from 1.0 to 1.6 kilometres, effective September 2025. This change means that the Division will see a reduction in provincial transportation funding as fewer students will be eligible for service. As part of the provincial implementation plan, the provincial government indicated that one-year transition funding would be provided for the 2025–2026 school year to school authorities that continue to provide service for the previous 1-kilometre distance.

In total, the adjustments to Student Transportation's grant funding mean that the Division's funding profile for 2025–2026 is approximately \$4.9 million (11 per cent) less than the 2024–2025 funding profile. This means that Student Transportation will face a significant operational deficit which will need to be addressed during the 2025–2026 school year.

RELATED FACTS

- In May 2024, Student Transportation indicated that \$2.2 million of accumulated transportation surplus funds would be used to avoid an increase in transportation fees and continue implementing system improvements.
- After the 2024–2025 funding adjustments, Student Transportation estimates that limited accumulated transportation surplus funds (\$0.7 million) will be available to offset the operational deficit in 2025–2026.
- Student Transportation's funding profile for 2025–2026 is \$38.1 million. This is a reduction of \$4.9 million (11 per cent) in comparison to Student Transportation's original funding profile for 2024–2025.
- The 2025–2026 funding profile is based on the new 1.6-kilometre eligibility distance and does not include transition funding for divisions that continue to serve 1-kilometre transportation boundaries.
- The change to eligibility distance will impact approximately 1,500 yellow bus riders on over 200 bus routes. The estimated value of transition funding available for these students in 2025–2026 is approximately \$1.1 million and will not be available in future years. As the students impacted by the change are spread over a large number of routes, the opportunity for route savings as a result of the eligibility changes are limited.

- The cost per yellow bus route is expected to increase by approximately 11 per cent on average in September 2025 and will have increased approximately 43 per cent since 2020.
- Yellow bus ridership is projected to increase by 1,000 riders (6 per cent) in 2025–2026, and will have increased by 30 per cent since 2020.
- For 2025–2026, any gap that remains between the cost of providing transportation service and the revenue collected from government funding and fees will need to be offset by other Division funds that would otherwise be directed to instruction.
- Based on current fees and service levels, Student Transportation is forecasting an operational deficit for 2025–2026 of approximately \$8 million, the components of which are listed in Table 1.

Table 1: Components of Operational Deficit

Component	Value (millions)
Funding adjustment beginning in 2024–2025	\$2.8
Change to eligibility (1.0 kilometre to 1.6 kilometre)	\$2.1
Historic operating deficit	\$2.2
Net operational growth	\$0.9
Total	\$8.0

RECOMMENDATION

That transportation fees be increased in a phased approach until the 2027–2028 school year, as outlined in Option 2, below.

Based on the information provided in this report, the following options are considered most appropriate:

1. Increase Student Transportation fees to achieve full cost recovery for the 2025–2026 school year, as outlined in Table 2 below.
2. Increase Student Transportation fees in a phased approach as outlined in Table 3, next page, until the 2027–2028 school year.

Table 2: Proposed Transportation Fees 2025–2026 (Option 1 – Full Increase)

Transportation Service	Monthly Fee	
	2024–2025	2025–2026 (proposed)
Kindergarten to Grade 12 students taking ETS	\$55	\$60
Kindergarten to Grade 12 students taking yellow bus	\$30	\$80
Pre-Kindergarten to Grade 12 students who need additional care or specialized supports on yellow bus	\$0	\$0

Table 3: Proposed Transportation Fees 2025–2028 (Option 2 – Phased Increases)

Transportation Service	Monthly Fee			
	2024–2025	2025–2026 (proposed)	2026–2027 (proposed)	2027–2028 (proposed)
Kindergarten to Grade 12 students taking ETS	\$55	\$60	\$60	\$60
Kindergarten to Grade 12 students taking yellow bus	\$30	\$50	\$70	\$90
Pre-Kindergarten to Grade 12 students who need additional care or specialized supports on yellow bus	\$0	\$0	\$0	\$0

CONSIDERATIONS and ANALYSIS

If the recommendation to increase Student Transportation fees in a phased approach as outlined in Option 2 is approved, Student Transportation will require access to Division surplus of \$3.4 million in order to offset the operational deficit in 2025–2026. Details about the strategies to address the projected 2025–2026 deficit under each option are provided in Table 4, below.

Table 4: Strategies to address Student Transportation Projected 2025–2026 Deficit

Strategy	Possible Value (millions)	
	Option 1	Option 2
Continue to serve the existing 1-kilometre boundaries and maximize transition funding (only eligible for 2025–2026, not beyond)	\$1.1	\$1.1
Apply remaining accumulated transportation surplus	\$0.7	\$0.7
Increase bus fees for the 2025–2026 school year	\$6.2	\$2.8
Access to Division Surplus	-	\$3.4
Estimated total of potential strategies	\$8.0	\$8.0

In making this recommendation, additional considerations include:

- Both options presented fully deplete the Division’s transportation accumulated surplus balance during the 2025–2026 year.
- Under Option 1, approximately \$6.2 million in additional funds would be generated for 2025–2026, meaning that access to Division surplus funds would not be required. An additional increase is still anticipated to be required in 2026–2027 due to the elimination of both the Division’s transportation surplus as well as the elimination of the 2025–2026 transition funding. If the recommendation to increase transportation fees as outlined in Option 2 is approved, it will generate an estimated \$2.8 million in additional funds in 2025–2026. Fee increases in subsequent years would eliminate the need for access to other Division funds by the 2027–2028 school year. A phased approach to

increasing transportation fees allows time for families to prepare for the changes required to implement a sustainable transportation model.

- In February 2025, Edmonton Transit (ETS) lowered the cost for the Division to purchase an ETS pass by \$7 per month (\$73 to \$66). This will result in a savings for the Division of approximately \$750,000 per year, which has been considered in the anticipated operating deficit. Future changes may require additional adjustments to fees.
- The Funding Manual for School Authorities 2025–2026 confirms that transportation fees cannot be charged for students in need of specialized support and services who are not able to access regular transportation services.
- Student Transportation staff continue to identify operational efficiencies that could be implemented going forward. Any potential cost savings would be reinvested in the transportation system to improve service and reduce ride times.
- Annually, provincial student transportation funding applications are reviewed and funding is adjusted to reflect actual enrolment. Any downward adjustments to provincial transportation grant funding resulting from this process may result in a need to access additional surplus funds in 2025–2026.

NEXT STEPS

Upon approval of the 2025–2026 fee schedule, a communication plan will be implemented to inform families.

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