



Transportation Organizational Review

To: Planning and Priorities Committee

Date: 3 November, 2021

Report No.: 11-21-4198

Strategic Directions

- Create a Culture for Student and Staff Well-Being
- Allocate Human and Financial Resources Strategically to Support Student Needs
- Build Strong Relationships and Partnerships Within School Communities to Support Student Learning and Well-Being

Recommendation

It is recommended that:

a) the establishment of a separate legal entity framework for the purpose of managing student transportation services for the TCDSB and the TDSB be approved. This will replace the current transportation consortium structure.

b) a detailed implementation plan be presented to Trustees by the Spring of 2022 for consideration and final approval. The implementation plan will include, but not be limited to, the following elements:

- Articles of incorporation and Bylaws
- Governance structure and board membership external/internal (including voting structure)
- Staffing composition
- Operating budget development
- Implementation timelines

Context

Since its inception, the governance structure of the transportation consortium between the TDSB and TCDSB has contributed to decision-making, staffing, operational and other challenges. Below is a timeline of events from 2006 to date:

School Year	Event	Description
2006-07	Ministry mandated consortia	Ministry memos 2006: SB13 and SB 26 (see Appendix A) outlined the mandate by the Ministry that coterminous boards work together in a consortium and provided financial incentives to act cooperatively, effectively and efficiently.
	Efficiency and Effectiveness (E&E) Review	In the subsequent E & E review, conducted by Deloitte, TDSB and TCDSB was able to secure some additional funding but scored low on the organizational structure (consortium) evaluation and as a result secured only 2/3 of the funding available. Please refer to Appendix C for this report.
2011-12	TSTG Membership Agreement Development	The Toronto student transportation group (TSTG) partnership agreement was developed. Please refer to Appendix D to review the agreement.
2014-15	Auditor General report	The Auditor General conducted an audit on student transportation in 2014-15. Majority of the recommendations were fully implemented. In 2020, the Auditor General provided a follow up report of the outstanding recommendations. .
2016-17	Ombudsman report	The Ontario Ombudsman's office undertook a review of the transportation start-up and driver shortage issues in 2016-17. In addition to problems arising from the preceding year's RFP process, the Ombudsman provided its findings regarding structural flaws and recommendations specifically related to the organization's structure. Please refer to Appendix B for the findings and recommendations.
2019-20	Engagement of External Consultant	As a result of the challenges previously outlined, both boards agreed to explore their options by engaging Mr. Michel Paulin, external consultant, to review the structure, speak with engaged parties and to make recommendations. The pandemic has resulted in minor delays in finalizing the review. Please refer to Appendix E for his findings and recommendations.

2020-21	External Consultant Report Recommendations	The key findings and recommendations from the external consultant were released to TDSB and TCDSB and reviewed by senior management and the TSTG Governance Committee.
2021-22	Staff report to TDSB and TCDSB Boards regarding proposed changes to TSTG structure	Both TDSB and TCDSB to bring forward recommendations to their Boards to seek approval on establishing a separate legal entity for the management of student transportation services.

Auditor General's Report

The Auditor General outlined the following key action items during the 2020 follow up review. The Transportation Consortia should:

1. Track and monitor utilization by using the most relevant and accurate information available in planning student transportation services, including actual ridership.
2. Evaluate the benefits of parents of students who are eligible to use school board provided transportation services being required to opt in or out of using transportation services.
3. Stagger school start and end times where possible to reduce the number of buses needed, by allowing them to be used on more than one run.
4. Reduce the need for transportation services by coordinating common days off.
5. Only contract for services that are required.

Action item #3 above has been completed, action items #1,2 and 5 are being implemented, and action item #4 has been implemented for the elementary panel but not the secondary panel. A follow-up review is in process for 2021.

Ombudsman's Report

The Ombudsman's office made the following three key recommendations around the TSTG organizational structure in their 2017 review (Appendix B):

1. The Toronto Student Transportation Group and the Toronto District School Board and Toronto Catholic District School Board should ensure that Transportation Group staff have access to the same resources and technology.

2. The Toronto Student Transportation Group should ensure that staff employment and reporting responsibilities are independent of the school board that administratively employs them.
3. The Toronto Student Transportation Group should modify its policies and procedures to reflect the revised organizational structure and staff employment responsibilities.

In addition to the challenges described above, the boards continue to have challenges with respect to decision-making from a governance perspective. Challenging issues have remained unaddressed due to the lack of a tie breaking option within meetings. As both boards receive two votes at governance committees, the possibility of a tie on a number of meaningful issues creates a logjam.

After the findings were reviewed by the TSTG Governance Committee, it was approved that an external consultant be engaged to conduct a detailed analysis of the TSTG Governance model and to recommend best practices.

Below are key findings from the external consultant. Please refer to Appendix E for the detailed report.

External Consultant's Key Findings:

1. TSTG's goal to reduce duplication and associated costs remains an unrealized goal. The duplication of work within the existing dual school board centric organizational structures makes it difficult to reallocate work. A copy of the current organizational structure is presented on page 18 of the External Consultant's report in Appendix E. The Auditor General and Ombudsman reports reinforce these points.
2. TSTG is missing on some if not all of the three success factors – structure, resources and tools. Most consortia have moved on and are more consolidated.
3. A lack of trust between the founding school boards is at the root of the current organizational design issues. It manifests itself in TSTG's divided organizational structure – setting the improper tone for the organization – and influencing staff behaviour.
4. TSTG governance structure is dysfunctional in dealing with dispute resolution.

External Consultant's Recommendations:

1. That TSTG be incorporated as a legal entity as an enabling means to become an employer.
2. That the TSTG is empowered to direct and control over the work environment for its staff, including establishing reporting structures, employment conditions, and HR policies independent of school boards.
3. That TSTG undertake an assessment of human resource skill sets, and position profiles required to match its current and future needs.

Policies remain the purview of each respective board

While the recommendations above point to the need for increased coordination and harmonization of operational processes and structures, it is important to note that the policies (distance, eligibility, programming, etc.) remain the purview of each board. Throughout the province there are many examples of boards working together under one incorporated entity while retaining their individual policies.

Action Plan and Associated Timeline

Throughout the course of developing an action plan, staff will work with legal counsel and other appropriate staff from each board to finalize the following processes for the development of the new legal entity:

- Articles of incorporation and Bylaws
- Governance structure and board membership external/internal (including voting structure)
- Staffing composition, including working with respective unions and human resources department to ensure all rights are respected and all collective agreement provisions followed
- Operating budget development

TCDSB will also be discussing these proposed changes with their board in the month of November so that both boards can align their work.

An update will be provided to the Planning & Priorities Committee in the Spring of 2022 and to seek approval on the establishment of the legal entity based on the work described above. A final implementation plan will be proposed at that time.

Resource Implications

In order to develop the implementation plan, the work of external legal counsel and the consultant is estimated to be approximately \$50,000, to be shared between the two school boards. The resources needed to establish the formal legal entity will be presented as part of the report to the Planning & Priorities Committee in the Spring of 2022.

Communications Considerations

Should the recommendations of this report be approved by both school boards, a communication will be provided to TSTG employees to inform them of this direction.

Board Policy and Procedure Reference(s)

Policy P020 - Transportation of Students

Operational Procedure PR504 - Transportation of Students

Appendices

- Appendix A: Ministry SB Memo 2006:26: Update on Student Transportation Reforms
- Appendix B: Ombudsman report: The Route of the Problem
- Appendix C: Efficiency and effectiveness review
- Appendix D: TSTG membership agreement between TDSB and TCDSB
- Appendix E: External consultant's report

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