



State Comptroller of Israel | Local Government Audit | 2021

Social Audit

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# **Students Transportation in Local Authorities**





## Students Transportation in Local Authorities

### Background

In order to enable the fulfilment of the Compulsory Education Law, 1949 (Compulsory Education Law), under which every child and youth in Israel must study in an educational institution, it is necessary to transport those students who do not have an educational institution in the area of their residence or whose educational institution is far from their home. The transportation is intended to ensure that students who are eligible for transportation on a daily basis and in accordance with the timetable will be safely transported to the educational institutions and will be safely returned home, in accordance with the required safety conditions.



### Key figures

**Approx.  
337,000**

The number of students eligible for transportation who were transported daily in 2020 to the educational institution where they study. Approximately 279,000 of them in regular education and the rest in special education.

**Approx. NIS  
2.7 billion**

The estimated annual cost of student transportation by local authorities.

**Approx. NIS  
1.1 billion**

The overall annual participation of the Ministry of Education in financing the transportation of special education students in each of the years 2018 and 2019.

**7 times to 9  
times**

The amount of the Ministry of Education's annual participation in transporting a student in special education in 2018 and 2019 compared to transporting a student in regular education.

**473**

The number of buses designated for transporting students (school buses) operated by 49 regional councils, only 298 of them of 10 years and under.

**75,000  
km**


The average distance traveled by a school bus owned by the Golan Regional Council in 2019 is three times the distance traveled by a school bus of the S'dot Negev Regional Council.

**NIS 800 –  
NIS 2,500  
compared to  
approx. NIS  
61 million**


The cumulative amount of sums demanded by the six local authorities examined for agreed compensation from transportation companies that violated agreements in 2019, compared to their total expenditure on student transportation that year.




## Audit actions

 In the second half of 2020, the Office of the State Comptroller examined aspects of students' transportation to regular education institutions and to special education institutions in local authorities. The examination was conducted at six local authorities; the municipalities of Modi'in Ilit and Arraba, the Even Yehuda Local Council, and the Golan, Lachish and S'dot Negev regional councils, as well as the Ministry of Education. Completion examinations were performed at the Ministry of Transport and Road Safety, the Ministry of Interior, the National Road Safety Authority and the Local Government Economic Services Company Ltd. (Mashcal). Complementary examinations were made in eight additional local authorities.

## Key findings

 **The Population Entitled to Transportation** – Despite the expansion of the Compulsory Education Law to children aged 3–4, the Ministry of Education does not participate in funding transportation for children of those ages. The Ministry also does not participate at all in funding transportation for 11th and 12th grade students – in the locality of residence – in municipalities and local councils and does not participate in funding transportation for students who choose to study in supra-regional, experimental and unique schools and in state Torani religious schools that are gender separation. The population entitled to transportation in the (Jewish) Ultra-Orthodox population amounts to approximately 24,000 out of 471,000 students (approximately 5.1%)

 **The Criteria Forming a Basis for the Ministry of Education's Participation Rates** – The Ministry of Education's rates of participation in financing transportation in each local authority were established in February 2008. Over the years, it has not been considered whether to change the criteria entitling local authorities to participation of the Ministry of Education in their student transportation and to adjust them to changes that have occurred in the "profiles" of the local authorities. For example, according to criteria of the Ministry of Education from February 2008, the Ministry is expected to reduce its participation rate in financing student transportation in the Modi'in Ilit Municipality from 80% to 50%, since it has more than 75,000 residents due to its population increase, even though Modi'in Ilit is ranked in cluster 1 (the lowest) in the socio-economic index and even though it receives a balance grant from the Ministry of Interior.



### **Amounts of the Ministry of Education's Participation in Regular Education**

**Transportation** – In four local authorities (Carmiel, Modiin-Maccabim-Reut and Ramat Gan municipalities and the Even Yehuda Local Council), the amount of the Ministry of Education's participation in financing students transportation according to the basic rates by a method determined by the ministry was higher by 26% (participation of NIS 2.77 compared to a cost of NIS 2.2 per day) to 87% (participation of NIS 6.73 compared to a cost of NIS 3.6 per day) of the amount paid by the local authority for transporting students by public transport. In the fifth local authority (the Municipality of Ramla), the amount of participation was higher by approximately 97% from the actual cost (participation of NIS 8.27 per day compared to a cost of NIS 4.2 per day). On the other hand, participation in funding students transportation in some local authorities was significantly lower than the actual cost of their transportation. For example, the Ministry of Education's participation in the cost of student transportation in the regular education of the S'dot Negev Regional Council in 2018 and 2019 amounted to only 55% and only 59%<sup>1</sup>.



### **Freezing the updating of the base tariff for participation rate**

– In 2012, the Ministry of Education freezing the updating of the base tariff for participation rate in the cost of the transportation was determined, and it is not consistent with the actual cost – which imposes an additional financial burden on local authorities. As a result of the erosion, the Ministry of Education's participation in some of the special education transportation routes in the six local authorities examined amounted to 36% to 61% instead of 50% to 85% – the participation rate set for those local authorities. Thus, for example, the Ministry of Education has determined that the participation rate in the cost of transportation for the Even Yehuda Local Council will be 50% of the total cost. It was found that the daily cost of operating 11 routes (out of 42), which the local council operated in the 2019-2020 school year, amounted to approximately NIS 579,000, while the Ministry of Education's participation amounted to approximately NIS 210,000 per year – approximately 36% only of their operating costs, and that the annual cost of operating eight routes (out of 49) in the Golan Regional Council, for which an 85% participation rate was set, amounted to approximately NIS 570,000, while the participation of the Ministry of Education amounted to approximately NIS 347,000 – approximately 61% only of their operating costs.







### **Management Agreements Between Mashcal and the Local Authorities and Between Mashcal and the Supervisor on its Behalf**

– Until the end of the audit period (February 2021), Mashcal had signed management agreements with 111 local authorities, out of 126 local authorities for which Mashcal provides management and supervision services in the 2020–2021 school year. Mashcal has not yet signed management agreements with the other local authorities. It was also found that from

<sup>1</sup> Transportation cost in 2018: NIS 5,919,319. The Ministry of Education's participation: NIS 3,245,341. Transportation cost in 2019: NIS 5,623,749. The Ministry of Education's participation: NIS 3,338,115.



February 2018 to September 2020, Mashcal paid approximately NIS 35.5 million to a company that provides it with services related to the management of the transportation system in the local authorities, with which it contractually engaged in December 2017, not on the basis of a tender<sup>2</sup>.

-  **Integration of Transportation to Special Education Institutions** – Out of five special education schools examined, to which 478 students are transported in 137 transportation routes, five shared routes were implemented in two schools. In another school, one shared distribution route with two students was implemented. In another school, one shared distribution route with two students was implemented. With the exception of the unification of these routes, the local authorities from which students are transported have not examined the possible combinations of students transportation to schools from neighboring local authorities given the sensitivities of the students studying in them and the distance between their place of residence and the school.
  
-  **Monitoring of the Transportation Companies** – Five of the six local authorities examined did not carry out inspections of the transportation companies that operated in their territory, while the sixth - the S'dot Negev Regional Council performed a few inspections. In the 2019-2020 school year, Mashcal performed 80 inspections for the Lachish Regional Council, although it undertook to perform 240 inspections, it performed 144 inspections on 91 vehicles for the Modi'in Ilit Municipality, and it performed 48 inspections on 42 special education transportation routes for the Even Yehuda Local Council. They also rarely took deterrence measures against transportation companies that violated agreements, not even against companies that transported students in an unsafe manner.
  
-  **Contractual Right to Agreed Compensation** – In 2019, three of the six local authorities examined (Modi'in Ilit and Arraba municipalities and the S'dot Negev Regional Council) did not exercise at all the right given to them in agreements with transportation companies, to collect agreed compensation for violations by the transportation companies they employed. The other three local authorities (Even Yehuda Local Council and the Golan and Lachish regional councils) demanded agreed compensation of only NIS 800 to NIS 2,500 in 2019, as opposed to the total expenditure of the abovementioned six local authorities in 2019 on students transportation in the total amount of approximately NIS 61 million.
  
-  **Safety in Transportation of Special Education Students** – The Ministry of Education has not completed the enactment of regulations for the safe transportation of children with disabilities from the age three and up. Deficiencies were also found in the selection of special education student transport companions by the local authorities examined, in documents they submitted about their skills and the trainings in which

<sup>2</sup> The obligation to hold a tender was applied to Mashcal at the beginning of 2018.



they participated for the determination of their suitability for the position in preparation for their work with children with disabilities.



**Transportation Stations Used to Pick Up and Drop Off Students** – The transportation stations in the educational institutions of the Golan Regional Council and the Even Yehuda Local Council were found to be well ordered, covered, enclosed with guardrails and regularly maintained.

**Complaint Handling Procedure** – Following the audit, the Even Yehuda Local Council prepared a complaint handling procedure, including determining who will handle the complaint in the council from the time it is received until conclusion.

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## Key recommendations



It is recommended that the Ministry of Education and the Ministry of Transport and Road Safety examine the principles applied in different countries and consider, while formulating agreements with the Ministry of Finance, the Ministry of Interior and the Federation of Local Authorities in Israel, if it is appropriate to adopt those that are suitable also for student transportation in Israel, such as improving the level of service of public transportation, allocating routes according to students' needs, including providing eligibility for transportation to students whose route to school is not safe, along with conducting an annual service quality survey.



The Ministry of Education, in collaboration with the Federation of Local Authorities in Israel and the Ministry of Finance, should examine the criteria it has previously established for participation rates in the local authorities' transportation costs, taking into account the changes that have taken place in the Compulsory Education Law. It is also recommended that the Ministry of Education periodically examine the basic fares it has set for each local authority and consider whether there is room to update them in light of changes in transportation costs at the Office of Public Transport or any other relevant component. It is also recommended that the Ministry of Education examine the special arrangements established for the municipalities of Jerusalem, Tel Aviv-Yafo and the Al-Qasoum and Neve Midbar regional councils, which were formulated by it over the years, and their necessity.



In order to ensure that public transport lines and other solutions are adapted to the needs of students in the most efficient way, it is recommended that the Ministry of Education consider encouraging local authorities to use public transport and examine the suitability of the amounts of its participation in the transportation of students in regular education to the actual expenditure of the local authority, especially in places where the



transportation is carried out, in any case, by means of regular public transport. It is also recommended that the Ministry of Education re-examine the amounts of its participation in those local authorities where, due to their special characteristics, the participation does not cover 50% of the actual transportation costs. It is also recommended that all local authorities, which use public transport for student transport, consider an alternative of funding "Rav-Kav" cards (smart cards used on public transport in Israel) for students eligible to participation in the financing of their transport.



It is recommended that the Ministry of Education and local authorities conduct a feasibility study of the options to unite transportation routes between different local authorities, while examining the need to balance their desire to reduce cost and their desire to avoid unreasonably extending travel time, especially when transporting students with disabilities in special education.



It is recommended that the municipalities of Modi'in Ilit and Arraba, the Even Yehuda Local Council and the Lachish and S'dot Negev regional councils formulate plans to promote safety and security in transportation.



Local authorities must ensure that the transportation companies report in detail in the invoices that will be submitted for payment for all transportation services provided during the reporting period. It is also recommended that the examined local authorities consider the integration of a requirement that the representatives of the educational institutions to and from which the students are transported will confirm, by signing, the details of transportation of students to and from the educational institution, in accordance with their eligibility in the agreement.



The six local authorities examined have a duty to keep a full and orderly record of all the complaints they receive, and it is their duty to deal with them in the best possible way and while responding to the complainants and documenting them. It is also recommended that they consider collecting compensation agreed upon by them, whenever required, in the face of violations committed by the transportation companies.

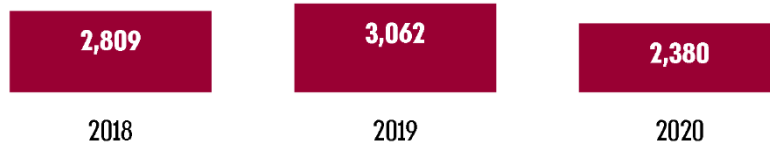


It is recommended that the Minister of Education complete the enactment of safe transportation regulations for toddlers and children with disabilities, while examining additional relevant reasons insofar as raised from the date of the end of the discussions in the Education Committee regarding the regulations, in January 2019.

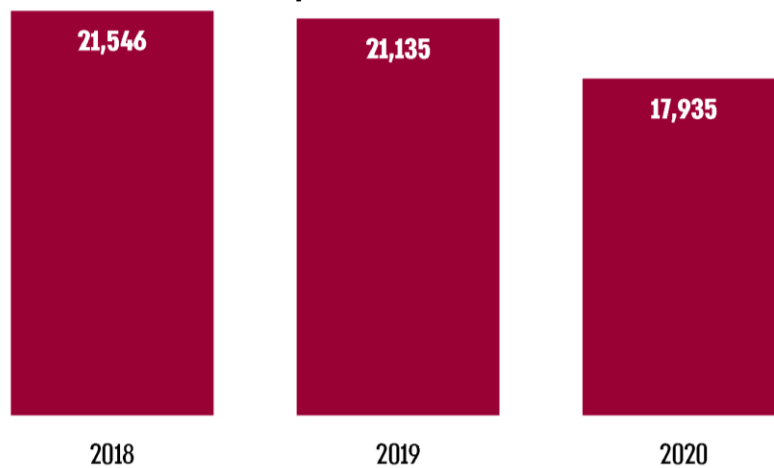


**The average national participation of the Ministry of Education per student for students transportation, 2018–2020**

**Regular Education**



**Special Education**



## Summary

The direct and indirect cost of students transportation is estimated at NIS 2.7 billion each year. The audit raised deficiencies regarding the financing of transportation and the safety conditions of the transported students, the main ones being: the Ministry of Education has not examined whether it is necessary to update criteria established approximately 13 years ago, on which it relied for its accounting with the local authorities, and a decision it made in early 2012 - to freeze the fare increases that occurred in the cost of transportation; non-



regulation of safe transportation for children with disabilities from age 3 and up; failure to perform inspections and monitoring as required of the local authorities examined on how the transportation is carried out; executing inspections by Mashcal less frequently than required in the same local authorities that entered into contracts with it; unsatisfactorily dealing with deficiencies raised in the inspections conducted and with regard to the manner of handling complaints relating to student transportation.

The Ministry of Education and local authorities must rectify the deficiencies raised in the report and consider the implementation of the recommendations.

