



First Nations Education Transportation Assessment

Prepared for Assembly of First Nations
UPDATED: 2026

Prepared by MNP LLP.



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Executive Summary

Introduction

Access to reliable, adequate, and safe education transportation is crucial for First Nations education systems. Not only does it contribute to classroom learning, but it also facilitates access to language and culture programming and provides enrichment opportunities that are critical for student success. However, the historical funding for transportation provided by Indigenous Services Canada, as well as the current provincial funding models, fall short of addressing the unique cost drivers experienced by First Nations. As a result, First Nations have no choice but to access other funding sources, such as Jordan's Principle, or use instructional funding to support their transportation services.

In order to examine the unique transportation challenges First Nations experience, the Assembly of First Nations retained MNP LLP to conduct a First Nations Education Transportation Assessment. This research and mandate to improve education transportation is supported through AFN Resolution 34/2019, *First Nations Education Infrastructure Review*, which is focused on policy or program changes to First Nations education infrastructure. The Resolution indicates that this review will be led by the Assembly of First Nations, Chiefs Committee on Education, and National Indian Education Council. The Resolution also indicates that "safe, adequate and sustainable education infrastructure provides a fundamental opportunity for building relationships and advancing reconciliation between the Crown and First Nations."

The following First Nations Education Transportation Assessment explains the costs involved in providing student transportation services, highlights key operational differences between First Nations and provincial school jurisdictions, and proposes a cost model reflective of the needs and circumstances of First Nations across Canada. The following First Nations Education Transportation Assessment explains the costs involved in providing student transportation services, highlights key operational differences between First Nations and provincial school jurisdictions, and proposes a cost model reflective of the needs and circumstances of First Nations across Canada. The original Education Transportation Assessment, completed in 2021, established a foundational understanding of transportation needs and funding gaps.

This assessment was based on data collected from 18 First Nations participants (13 First Nations school jurisdictions and five First Nations education organizations), as well as primary and secondary research from provincial school jurisdictions, student transportation organizations, provincial governments, and other stakeholders.

In 2025, this report has been updated to incorporate current market pricing, recent policy changes, and emerging trends, ensuring the cost model and analysis reflect the realities and challenges faced by First Nations today.

Cost Structure and Cost Drivers

Student transportation expenditures in both First Nations and provincial school jurisdictions represented the third-largest expense category after instruction and operations and maintenance.

The difference in transportation costs is primarily driven by travel distances and population density, the number of transported students, the geography of school jurisdictions, quality of roads, and size of transportation operations (i.e. school jurisdiction's ability to take advantage of economies of scale).

The cost drivers commonly experienced by First Nations school jurisdictions are summarized in the table below:



Cost Driver	Description and Impact on Transportation Expenditures
Lack of Economies of Scale	With 70 percent of First Nations having less than 500 inhabitants, First Nations school jurisdictions have much lower enrolments and smaller transportation operations. As a result, they do not benefit from economies of scale the way their provincial counterparts do. Lack of economies of scale significantly increases maintenance, fuel, bus replacement, administration, and training costs incurred on a per-bus basis.
Increased Scope of Transportation Services	Compared to provincial school jurisdictions, First Nations have higher transportation needs driven by: • Lower socio-economic status and unavailability of parent-provided transportation to school and extracurricular activities; • Safety issues stemming from wildlife, free-ranging dogs, extreme weather, and absence of sidewalks; • Language and culture curriculum requirements (e.g. travel to land-based learning and cultural sites); and • The need to provide transportation services to students attending provincial schools off-reserve. Due to the higher number of students requiring transportation and increased transportation needs, First Nations require a higher number of bus routes, increasing all direct costs involved in student transportation (e.g. bus driver salaries, bus replacement costs, maintenance, and fuel costs).
Remoteness	Based on the Remoteness Index, First Nations are more remote than all other communities in Canada, with population-weighted averages of remoteness indices of 0.142 and 0.427 respectively (0 being the least remote and 1 being the most remote). This remoteness contributed to elevated transportation costs, including bus maintenance, fuel and training. Limited labour supply and a high cost of living also result in bus driver salaries that exceed those typical for provincially run schools. [1]
Poor Road Conditions	Even compared to rural and northern school jurisdictions, First Nations appear to have lower-quality roads and infrastructure. Poor road quality not only shortens the lifespan of their buses but also increases regular maintenance costs and the occurrence of major and emergency repairs.
Higher Student Needs	The transportation costs in the participating First Nations are also driven by higher student needs, including behavioural challenges and special needs. Specifically, First Nations reported the need to hire Bus Monitors to ensure student safety on buses, as well as the increased need for paratransit services to support students with disabilities (e.g. purchasing buses with wheelchair-accessible features).

The cost factors outlined above drive transportation expenses well beyond provincial per-bus funding benchmarks, making provincially comparable funding insufficient for First Nations.

For example, in Alberta First Nations, total transportation costs increased by 24.6%—from \$109,984 in 2020–21 to \$137,024—due to rising costs for bus replacement, insurance, driver wages, and maintenance. In comparison, operating a similar bus route in a nearby northern Alberta school division costs between \$70,000



and \$85,000.

While the recent implementation of provincial comparability formulas has helped reduce the funding gap, it has not fully closed it. In Alberta, for instance, the gap narrowed from 91% in 2020–21 to 67% in 2024–25, but a significant shortfall still remains.

Cost Model

To inform the development of the new funding formula and assist First Nations with estimating the costs of providing transportation services, MNP developed an Excel-based transportation cost model. The cost model is built using the province-specific cost benchmarks, as well as other information collected through First Nations engagement and a jurisdictional scan. The model includes the following cost components:

- Bus driver wages;
- Bus monitor wages;
- Fuel costs;
- Maintenance costs;
- Bus replacement costs;
- Administrative costs;
- Insurance costs;
- Training; and
- Extracurricular travel.

The cost model estimates annual bus expenses for First Nations with road access at \$110,000 to \$142,000 per bus, excluding extracurricular transportation. For First Nations without road access, costs may reach up to \$250,000 per bus.



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Introduction

Access to reliable, adequate, and safe education transportation is crucial for First Nations. In addition to supporting classroom learning, education transportation connects First Nations students to valuable language and cultural programs, as well as a range of enrichment experiences that nurture student growth and success. However, the historical funding for transportation provided by Indigenous Services Canada, as well as the current provincial funding models, fall short of addressing the unique cost drivers experienced by First Nations. As a result, First Nations have no choice but to access other funding sources, such as Jordan's Principle, or use instructional funding to support their transportation.

The Assembly of First Nations ("AFN") retained MNP LLP ("MNP") in 2021 to conduct a First Nations Education Transportation Assessment, examining the unique transportation challenges that First Nations experience [2]. This report outlined the costs of providing student transportation services, highlighted key operational differences between First Nations and provincial school jurisdictions, and proposed a cost model tailored to the unique needs and circumstances of First Nations across Canada.

It was informed by data collected from 18 First Nations participants (13 First Nations school jurisdictions and five First Nations education organizations), alongside primary and secondary research from provincial school jurisdictions, student transportation organizations, provincial governments, and other stakeholders.

In June 2025, the Assembly of First Nations engaged MNP to update the First Nations Education Transportation Assessment. The objectives of this update are to:

- Provide an updated analysis reflecting market and price changes, including adjustments to the ISC regional funding formula;
- Examine regional variations in transportation and provide a revised costing model to support First Nations in education formula negotiations;
- Collect provincial and First Nations-specific data, identify key differences between provincial and First Nations school jurisdictions, and develop a cost model that accurately reflects First Nations transportation needs across the country;
- Deliver a transportation cost analysis covering expenditures per FTE student by province, driver wages and benefits, school bus replacement costs, fuel and maintenance costs, insurance, training, and registration requirements; and
- Validate research findings through meetings with subject matter experts and update the comparative analysis of available funding approaches against key cost drivers, including distinctions between fixed and variable costs.

This report builds on the original 2021 Assessment by updating the cost model to reflect 2025 pricing and incorporates an analysis of the current funding formulas, which have undergone significant overhaul in recent years. The update includes revisions to calculations and content within the cost model and associated report, as well as secondary market research to refresh all quantitative data related to student transportation.

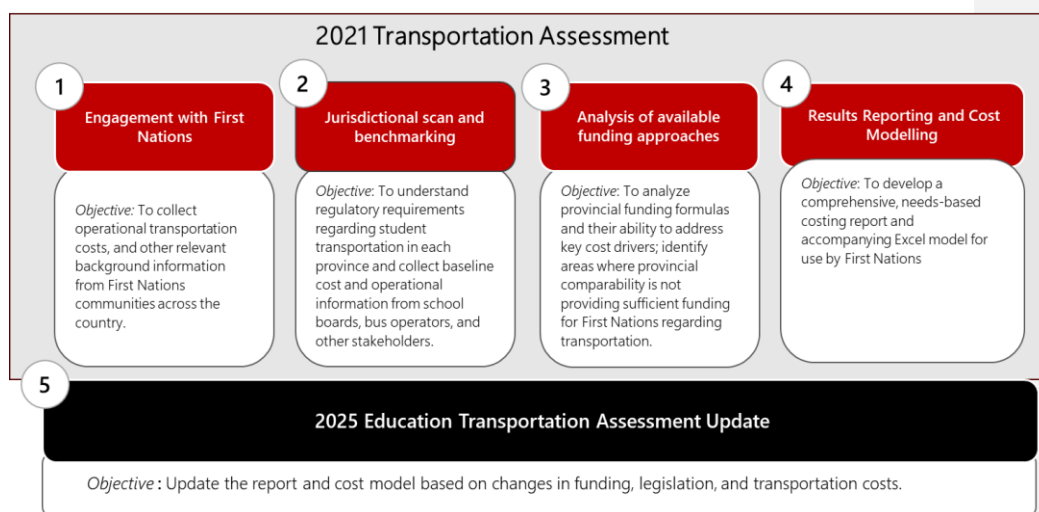
Additionally, this updated report includes some emerging trends within the education transportation space to ensure First Nations education transportation include emerging technologies and innovations that best fit their unique needs and purposes.



Methodology

The methodology used for the First Nations Education Transportation Assessment is outlined in Figure 1 below, which represents both the 2021 Assessment and this report, the 2026 update. A description of each component follows.

FIGURE 1: FIRST NATIONS EDUCATION TRANSPORTATION ASSESSMENT METHODOLOGY



Components of the 2021 Assessment

2021 Engagement with First Nations

The goal of community engagement was to explore the entire spectrum of cost drivers and unique circumstances faced by First Nations when it comes to student transportation. Therefore, MNP in conjunction with AFN identified a sample of First Nations school jurisdictions based on their location, degree of remoteness, and student population served. A total of 13 First Nations school jurisdictions and five First Nations education service organizations from eight provinces volunteered to participate in the Assessment. Table 1 summarizes First Nations participation in the Assessment, by province.



TABLE 1: FIRST NATIONS PARTICIPATION SUMMARY

Participant	Region	ISC Geographic Zone	Enrolment (Band-Operated Schools)	Aggregate Jurisdiction or Single First Nation	Number of Schools	Provide Transportation for Provincial Schools	Number of Active Bus Routes
1	Alberta	2	1,129	Aggregate	6	No	20
2	Alberta	1	963	Single First Nation	4	Yes	35
3	Alberta	2	142	Single First Nation	1	Yes	6
4	Atlantic	4	700	Aggregate	1	No	2
5	Atlantic	1	47	Single First Nation	1	Yes	2
6	British Columbia	2	50	Single First Nation	1	Yes	2
7	British Columbia	1	130	Single First Nation	2	Yes	4
8	Manitoba	2	913	Single First Nation	1	No	21
9	Manitoba	2	864	Single First Nation	2	No	12
10	Ontario	4	184	Single First Nation	1	Yes	3
11	Ontario	4	360	Single First Nation	1	No	8
12	Saskatchewan	4	1,272	Aggregate	1	No	7
13	Saskatchewan	4	1,842	Single First Nation	4	Yes	12

In addition to First Nations school jurisdictions, MNP engaged First Nations–mandated education organizations. These organizations are established by First Nations leadership through resolutions or agreements and governed by First Nations to deliver education services. The following First Nation’s mandated education organizations were engaged by MNP during the 2021 engagement:

- Manitoba First Nations Education Resource Center (MFNERC): MFNERC provides education, administration, technology, language and culture services to First Nations schools in Manitoba. MFNERC supports 58 First Nations schools from 49 Manitoba First Nations.
- The First Nations Education Steering Committee (FNEC): FNEC is a policy and advocacy organization that represents and works under the direction of First Nation in British Columbia, representing more than 130 First Nations schools in the province.
- The First Nations Education Council (FNEC): Comprised of 22 First Nations, FNEC advocates for the reclamation of control over education for their member communities.
- Meadow Lake Tribal Council (MLTC): MLTC is comprised of nine member First Nations in Saskatchewan, operating a second-level service provider in the areas of education, health, technical services, justice and other shared programs.
- Mushkegowuk Tribal Council (MTC): A regional political and administrative organization representing seven Cree First Nations in Northern Ontario, providing advisory, technical, advocacy, and education supports.

The First Nations data from the above participants was collected through a combination of interviews and email correspondence. Specifically, First Nations and First Nations education organizations were asked to describe transportation needs and factors that influence needs (e.g. the ability of parents to provide transportation, safety hazards, level of remoteness, transportation services provided, number of students served, conditions of transportation fleet, and other infrastructure). Further, MNP collected transportation cost and operational data, including, but not limited to:

- Bus replacement costs;



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- Bus driver compensation;
- Maintenance costs;
- Fuel costs;
- Number of bus routes served and route lengths;
- Fleet statistics (e.g. age, size, and fuel type of buses);
- Transportation budgets and funding; and
- Costs related to extracurricular and cocurricular activities.



2021 Jurisdictional Scan and Provincial Benchmarking

To understand the baseline transportation requirements, costs, and factors affecting the costs, MNP conducted a jurisdictional scan which included:

A review of publicly available transportation data, such as:

- Provincial and federal laws and regulations pertaining to school bus transportation;
- Collective bargaining agreements covering school bus driver compensation;
- Financial statements and annual reports of provincial school jurisdictions;
- Transportation reports published by provincial governments, transportation associations, third-party auditors, and third-party consultants;
- Relevant academic publications; and
- Other pertinent documentation (insurance rate sheets, training cost information, transportation fee schedules etc.)

Primary research to fill data gaps: To understand student transportation delivery models across the provinces, MNP interviewed school jurisdictions, provincial transportation associations, provincial Ministries of Education, private school bus operators, insurers, and dealerships. The summary of stakeholders interviewed is provided in Table 2.

TABLE 2: JURISDICTIONAL SCAN PARTICIPATION SUMMARY

Province	Completed Interviews
BC	• 2 provincial school jurisdictions • Ministry of Education • School bus dealership
Alberta	• 2 provincial school jurisdictions • Provincial transportation association • School bus dealership
Saskatchewan	• 3 provincial school jurisdictions • School bus dealership • Provincial transportation association
Manitoba	• 2 provincial school jurisdictions • Manitoba Education
Ontario	• 2 education consortia • 1 large third-party bus operator • Ministry of Education • Provincial transportation association
Quebec	• 1 provincial school jurisdiction
Nova Scotia	• 1 provincial school jurisdiction • 1 third party-bus operator



The majority of school jurisdictions interviewed were located in rural and remote areas of their respective provinces, with two school jurisdictions serving both urban and rural communities. The number of students transported by the school jurisdictions varied significantly. There were two jurisdictions with fewer than 100 students transported and fewer than five bus routes, and one with over 5,000 students receiving transportation services and over 100 routes. Table 3 shows the distribution of interviewed provincial school jurisdictions by the number of bus routes served.

TABLE 3: INTERVIEWED PROVINCIAL SCHOOL JURISDICTIONS BY NUMBER OF BUS ROUTES

Number of Active Bus Routes	Interviewed School Jurisdictions
Under 5	2
5 to 40	4
41 to 100	4
Over 100	1

Analysis of Funding Approaches

To understand how transportation funding is being provided to provincial and First Nations school jurisdictions, MNP reviewed both provincial education funding manuals published on government websites and 2020/21 ISC Regional Funding Model Narrative Overviews for all 10 provinces. Specifically, MNP:

- Summarized and assessed the provincial transportation formulas identifying whether each province's model uses the key cost drivers of student transportation;
- Summarized and assessed the differences between each province's model for provincial schools and First Nations schools; and
- Evaluated each of the model's benefits and drawbacks, as well as their suitability for First Nations.

Cost Modelling

The final stage of the project involved the development of this report, as well as an Excel-based transportation cost model. The cost model was built using the province-specific cost benchmarks, as well as other information collected through First Nations engagement and the jurisdictional scan. In addition to province-specific differences, the model also provides adjustments based on remoteness, distances traveled, and the number of bus routes. The cost model will allow individual First Nations school jurisdictions to calculate their total transportation costs by inputting the following elements:

- The total number of students transported to on-reserve schools as per Nominal Roll;
- The total number of on- and off-reserve bus routes; and
- The number of kilometers traveled to and from school, and for extracurricular activities.



2026 Assessment Update

In June 2025, the AFN engaged MNP to update the First Nations Education Transportation Assessment. The objectives of this update are to:

- Provide an updated analysis reflecting market and price changes, including adjustments to the ISC regional funding formula;
- Examine regional variations in transportation and provide a revised costing model to support First Nations in education formula negotiations;
- Collect provincial and First Nations-specific data, identify key differences between provincial and First Nations school jurisdictions, and update the cost model in a way that accurately reflects First Nations transportation needs across the country;
- Deliver a transportation cost analysis covering expenditures per FTE student by province, driver wages and benefits, school bus replacement costs, fuel and maintenance costs, insurance, training, and registration requirements; and
- Validate research findings through meetings with subject matter experts and update the comparative analysis of available funding approaches against key cost drivers, including distinctions between fixed and variable costs.

This report builds on the original 2021 Assessment by updating the cost model to reflect 2025 pricing and incorporates an analysis of the current funding formulas, which have undergone significant overhaul in recent years. The update includes revisions to calculations and content within the cost model and associated report, as well as secondary market research to refresh all quantitative data related to student transportation.

Additionally, this updated report includes some emerging trends within the education transportation space to ensure First Nations education transportation include emerging technologies and innovations that best fit their unique needs and purposes.

MNP did not apply CPI-based inflation adjustments to transportation cost categories; prices were updated using actual increases observed in a four year period. Because CPI reflects a household consumer basket, it can understate school transportation costs that are driven by fleet procurement, parts, fuel, insurance, and supplier/producer price changes.

Data Limitations

First Nations Data

The sample size of First Nations in 2021 was relatively small, and community data varied widely due to differences in population, size, remoteness, jurisdiction, infrastructure, and geographic region. This variability prevented the Assessment from reflecting all situations that could impact education transportation costs.

For example, some First Nations in British Columbia must access water-taxi or ferry transportation for students to attend provincial schools, which dramatically increases transportation costs relative to other First Nations. Further, due to the availability of participants and the short timeline over which the original Assessment was conducted, there were no First Nations participants in Nova Scotia, New Brunswick, and Quebec.

Other limitations relate to the granularity and completeness of transportation cost data. Costs were self-reported and depended on the administrative capacity of First Nations school jurisdictions. Larger or aggregate



jurisdictions with dedicated transportation and finance departments could provide more detailed cost data, while smaller jurisdictions without robust budgeting and cost tracking systems provided less complete information.

Jurisdictional Scan Data

Provincial governments typically do not collect aggregate data on transportation costs from school jurisdictions. As a result, several limitations persisted in the data provided through stakeholder engagement:

- The sample size was relatively small, and many provincial school jurisdictions contract out transportation, making detailed cost data unavailable;
- Comparison across school jurisdictions was difficult, as certain cost components were included in some budgets but excluded in others. For example, some jurisdictions do not include bus replacement costs in their budgets because these are paid by the province, while others include or exclude extracurricular transport; and
- Many jurisdictions did not track all cost categories included in the analysis, resulting in incomplete datasets.

Additional limitations identified in the 2026 update include:

- There are continued gaps in the availability of disaggregated data by jurisdiction type (urban, rural, northern/remote), and inconsistent reporting of student FTE counts and transportation expenditures at the provincial and district levels; and
- Stakeholder engagement for the 2026 update was limited to that conducted for the original report, with secondary data being the primary source of information.



Overview of Student Transportation

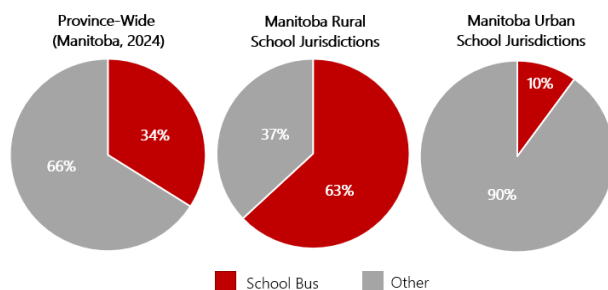
Role of Student Transportation in First Nations Education

Every school day throughout the country, approximately 50,000 school buses transport over 2 million of the roughly 5.8 million elementary and secondary students to and from school and activities. [3][4] Transportation service levels vary because of differences in local geography, population density, and eligibility policies established by the provincial government or the local school jurisdiction. While most transportation services to and from school are provided through yellow buses, some students are transported to and from school using aircraft, ferries, smaller passenger vehicles, and other modes of transportation.

Access to reliable, adequate, and safe education transportation is particularly important in rural and remote First Nations, as there are generally fewer alternative options for transportation (e.g. walking, public transit, and parent-provided transportation). [5]

For example, 34 percent of all K-12 students in Manitoba's public school system received daily transportation services in 2024. However, this proportion varies dramatically by location. In urban school divisions serving Winnipeg and its metropolitan area, only about 10 percent of students receive transportation services, reflecting the greater availability of schools within walking distance or accessible by public transit. In contrast, in rural and northern divisions, nearly 63 percent of students rely on school-provided transportation, underscoring the essential role of busing in ensuring equitable access to education across the province. [6]

FIGURE 2: PERCENTAGE OF STUDENTS RECEIVING TRANSPORTATION SERVICES IN MANITOBA, 2024

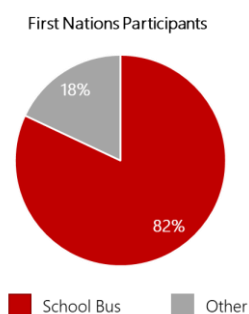


Note: 'Other' refers to all other modes of transportation aside from publicly funded school bus transportation.

Among interviewed provincial school jurisdictions across Canada in 2021, the proportion of students receiving transportation services ranged from approximately 30 percent to 60 percent, except for school jurisdictions in very small and remote First Nations with no other transportation options, that transported close to 100 percent of their students. For First Nations participating in this study, the percentage of students using school-provided bus services ranged between 50 percent and 99 percent with an overall proportion of 82 percent.



FIGURE 3: PERCENTAGE OF STUDENTS RECEIVING TRANSPORTATION SERVICES, 2020



Note: 'Other' refers to all other modes of transportation aside from publicly funded school bus transportation.

Key themes regarding the role of student transportation that emerged through the interviews with First Nations participants were:

- 1) Transportation as a contributor to classroom learning. First Nations participants, as well as participants from provincial school jurisdictions, brought forward the notion that the bus is an extension of the classroom since it ensures that all students are transported to and from school in a safe and timely manner and arrive ready to learn. It was noted that the experience that students have on the bus sets the tone for their learning for the rest of the day. Providing convenient and flexible transportation to and from school plays an important role in increasing school attendance, which is a big challenge for many First Nations and is a key barrier to academic success. [7]
- 2) Transportation as a means to deliver language and culture programming. First Nations participants noted that student transportation is also a critical piece in the delivery of language and culture curriculum. The school buses were routinely used to support land-based and cultural programs and to access learning sites off-campus, with several participants noting daily visits to on-the-land classrooms located beyond walking distance from their school.
- 3) Transportation as a contributor to the enrichment and well-being of students. First Nations participants emphasized the importance that student transportation has for students' enrichment and well-being, and insisted it must extend beyond home-to-school service to ensure access to educational, cultural, land-based, and extracurricular opportunities.

It was also highlighted throughout the interviews that for most First Nations students, school-run/sanctioned extracurricular activities represent the only available sources for enrichment. This is particularly true in remote and isolated areas, where students rarely have the opportunity to travel outside of their community.



Delivery of Student Transportation Services

The delivery of student transportation services continues to differ significantly across provinces. In Ontario, student transportation is primarily delivered by third-party bus operators contracted by transportation consortia, which are responsible for quality assurance for vehicles, drivers, and driver safety training. In recent years, Ontario has further consolidated its consortia model and introduced new safety training allocations as part of the Student Transportation Fund.

In other provinces, there remains a mix of transportation services managed in-house by school jurisdictions and contracted bus operations. Contracted bus operations are typically located in urban areas, while the majority of school jurisdiction-owned systems are found in rural regions. Some provinces have expanded cooperative agreements and regional joint transportation plans to improve service delivery and cost efficiency, particularly in remote and rural areas.

First Nations predominantly provide transportation services on their own, without engaging third-party bus operators. As noted in the original report, some First Nations hire bus owner-operators or small contractors from within their Nations, while others rely on their Public Works Department to operate all transportation services for schools and the broader community.

First Nations deliver transportation services for either band-operated schools, First Nations students attending provincial schools, or a combination of both. In the original engagement, all but one First Nations participant provided transportation to their jurisdiction's band-operated schools, while 46 percent were responsible for transporting First Nations students to provincial jurisdictions.

Regulatory Framework

Regardless of whether the transportation services are delivered by provincial school jurisdictions, a First Nation, or a third-party bus operator, there are several federal and provincial regulatory requirements that must be followed.

Transport Canada is responsible for establishing regulations and setting safety equipment requirements in the Canada Motor Vehicle Safety Standards, including specific safety requirements for buses; such as brake systems, electronic stability control, window retention, lighting, tires, wheels, and other safety equipment.

Transport Canada works with all orders of government to keep these standards up to date and performs tests to ensure compliance. Provinces' jurisdiction includes safety enforcement on roads and highways and standards around driver and vehicle licensing (e.g. speed limits, insurance requirements, bus driver training requirements, safety inspections, walking distance to school).

The school jurisdictions or third-party bus operators, on the other hand, are responsible for governance and oversight for student transportation services to eligible students, including establishing transportation policies and service standards, hiring staff to implement these policies, and monitoring service delivery.

The jurisdictional comparison of key standards related to student transportation is summarized in Table 4. For simplicity, only those standards that may have a direct impact on transportation costs were selected.



TABLE 4: STUDENT TRANSPORTATION REGULATIONS AND STANDARDS, BY PROVINCE, 2025

Requirement/Standard	BC [8]	AB [9]	SK [10]	MB [11]	ON [12]	QC [13]	NS [14]
Bus Driver Training	Class 2 driver's licence Non-Mandatory 36-hour training course	Class 2 driver's licence with S endorsement School Bus Driver Improvement Program (minimum 15 classroom hours)	Class 1-5 driver's licence School bus S endorsement Driver's must re-take the S endorsement test every 5 years (medical exam required)	Class 2F driver's licence (for all types of buses) A minimum of 24 instruction hours required ¹	Class B driver's licence (for buses over 24 passengers). Must complete School Bus Driver Improvement Course every 1 – 5 years, depending on age.	Class 2 driver's licence with F and M endorsements Certificate of competence (15 hours initial training, 6 hours per year)	Class 2 driver's licence with endorsement B for school buses Training on Emergency Procedures
Maximum Age of Buses	10 years	No mandatory standards; common practice – 10 years	No mandatory standards; common practice – 10 years	No mandatory standards; 12-15 year maximum on average	Determined by jurisdiction; 10-12 year maximum on average	Typically, 12-year maximum; Exemptions exist up to 2 years after.	Determined by jurisdiction; 12-year maximum on average
Frequency of Vehicle Inspections	Every 6 months	Every 6 months	Every 12 months	Every 6 months	Every 6 months	Every 6 months	Every 6 months
Walk Limits (to determine eligibility)	Determined by school jurisdictions	Determined by grade and driving distance (legislated 2.4 km limit): K-6: >1.6km 7-12: >2km	Determined by school jurisdictions	Determined by school jurisdictions	Determined by school jurisdictions – approximately 500m for kindergarten and up to 3 km for high school	Determined by school jurisdictions	1.6 km for elementary school, 2.4 km for middle and high school
Maximum Distance to a Bus Stop	Determined by school jurisdictions	Determined by school jurisdictions, approximately 400m	Determined by school districts – approximately 800m	No Provincial limit, determined by school jurisdictions	Determined by school jurisdiction – approximately 200m	No information available	Determined by school jurisdictions



Requirement/Standard	BC [8]	AB [9]	SK [10]	MB [11]	ON [12]	QC [13]	NS [14]
		– 1.2km	– 1km				
Maximum Ride Times	No mandatory standard	No mandatory standards;	No mandatory standard	No mandatory standard – Manitoba Government attempts to keep ride minutes times under one hour	Varies by School Board – approximately 60-75	60 minutes (one way)	60 minutes (one way)
Special Needs Transportation	Determined by school jurisdictions	School jurisdictions are mandated to transport special education students to the school to which they have been directed.	Determined by school jurisdictions	Determined by school jurisdictions	Determined by school jurisdictions	No information available	Transportation is made available to all students with special needs, regardless of the distance to the school



First Nations' Compliance with Transportation Regulations

Similar to provincial school jurisdictions, First Nations must comply with both federal and provincial legislation pertaining to education transportation. Therefore, even though First Nations and their lands are primarily under federal jurisdiction, they are also subject to provincial traffic laws, driver licensing requirements, and safety requirements, which change from province to province.

Below is a summary on First Nations' compliance with transportation regulations, based on findings from interviews with First Nations:

- Walk limits and eligibility standards. Walk limits are typically imposed by provincial school jurisdictions to limit the number of students eligible for transportation and improve route efficiency. Of the 13 participating First Nations in the 2021 Assessment, 12 considered walk limits standards and other transportation service level standards applied by provincial school jurisdictions inappropriate and did not impose them.
 - For example, the Alberta School Transportation Regulation sets eligibility for transportation services at 1.6 km for kindergarten to Grade 6 and 2 km for Grades 7 to 12. First Nations in Alberta do not follow this standard because of factors such as wildlife, loose dogs, walking on highways or roads, and cold weather conditions.
- Training and inspection requirements. Due to a lack of financial resources and systematic barriers to adequately adhere to provincial transportation regulations on reserve lands, it is not uncommon for First Nations to be non-compliant with provincial requirements around bus driver training, safety inspections, and licensing.
 - For example, one fly-in First Nation participant noted that none of their bus drivers met the provincial licensing standards, except for the Transportation Coordinator. The non-compliance was due to the high cost of travel to obtain the necessary training, and the unavailability of spare bus drivers to cover absences. This community also reported experiencing several bus incidents over the past three years and as a result, bus drivers are unable to drive students outside of the First Nation.
 - Another remote and isolated participant reported being unable to conduct bi-annual safety inspections due to lack of year-round road access and provincial requirement to have inspections completed in a licensed inspection facility.

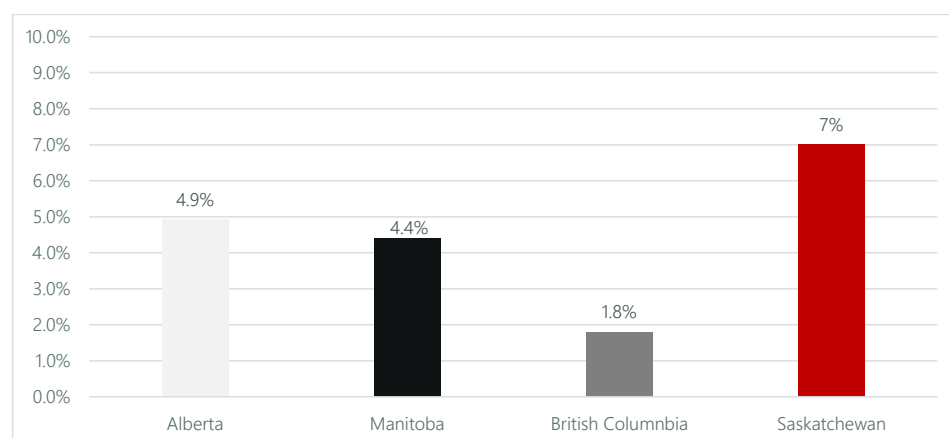


Assessment of Student Transportation Costs

Transportation Expenditures Overview

Student transportation expenditures are typically the third-highest expenditure category in a school jurisdictions' budget, after instruction and operations and maintenance. Comparable data on transportation expenditure by province were only available for Western Canada. As shown in Figure 4, in Western Canada in the 2024/2025 school year student transportation accounted for between 1.8 percent and 7 percent of education expenses, on a province-wide basis. [15] [16] [17] [18]

FIGURE 4: PERCENTAGE OF TOTAL EDUCATION EXPENDITURES ON STUDENT TRANSPORTATION, 2024-2025



A comprehensive update of student transportation expenditures benefits from provinces that publish detailed, district-level data on transportation costs and student enrolment. Alberta and Manitoba stand out as strong examples in this regard: both provinces provide transportation expenditure figures at the district level alongside student FTE counts, enabling the development of robust, comparative analyses by jurisdiction type. This level of transparency allows for meaningful breakdowns of expenditures across urban, rural, and northern/remote categories, and supports a clearer understanding of cost drivers and trends.

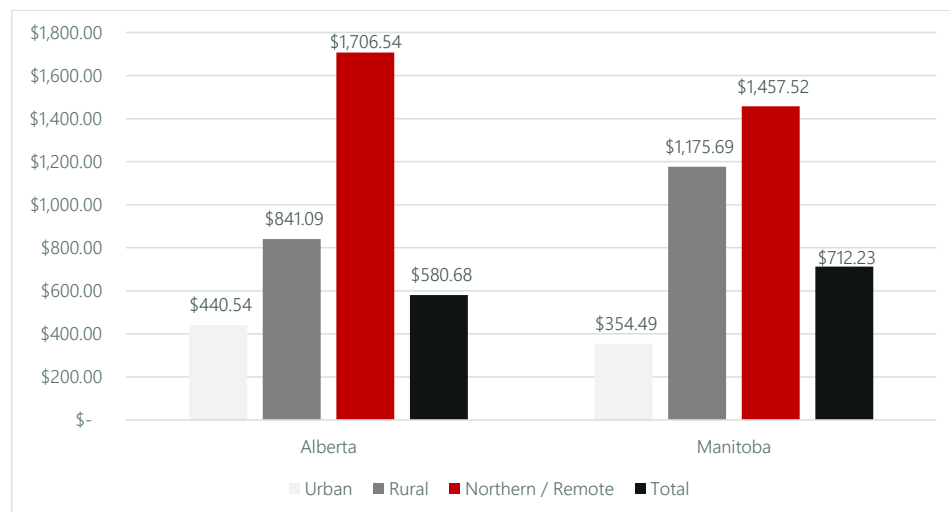
Figure 5 presents student transportation expenditures per student full-time equivalent (FTE) for Alberta and Manitoba, broken down by jurisdiction type. In Alberta, average expenditures per FTE in rural jurisdictions increased from \$701 in 2020 to \$841 in 2025, a rise of 20 percent. In northern/remote jurisdictions, expenditures increased from \$1,420 in 2020 to \$1,707 in 2025, an increase of 20 percent. In Manitoba, rural jurisdictions saw expenditures per FTE rise from \$1,012 in 2020 to \$1,176 in 2025, an increase of 16 percent. For northern/remote jurisdictions in Manitoba, expenditures increased from \$1,256 in 2020 to \$1,458 in 2025, a rise of 16 percent.

These results show that funding for student transportation in rural and remote areas of both provinces



increased in nominal terms between 2021 and 2025. However, the difference in transportation funding between urban, rural, and northern/remote areas remains significant. This is particularly relevant for First Nations, which are often located in more rural or remote locations than non-Indigenous communities, and therefore face higher transportation costs. This cost discrepancy underscores the importance of implementing funding models that reflect the unique geographic and operational realities of First Nations education.

FIGURE 5: STUDENT TRANSPORTATION EXPENDITURES PER FTE, 2024-2025





Typical Cost Structure

The typical categories of costs for providing student transportation are generally similar across jurisdictions and can be divided into capital costs, direct operating costs, and indirect operating costs.

The direct operating costs are directly related to performing school transportation functions, like bus driver salaries, fuel and maintenance costs, licensing, insurance, and training. Indirect costs are those not directly involved with the operations of the school buses, like administration staff salaries and route planning software. Error! Reference source not found. summarizes the cost types by category.

FIGURE 6: STUDENT TRANSPORTATION COST TYPES BY CATEGORY

Capital Costs	Direct Operating Costs	Indirect Operating Costs
1. Bus replacement • School bus purchase costs • Costs of bus equipment/peripherals (GPS, camera, winter tires etc.) 2. Other capital costs • Bus garage, bus shop	1. Bus driver wages 2. Maintenance • Inspections • Other routine and emergency maintenance 3. Fuel 4. Insurance and registration 5. Bus driver training	1. Administration • Salaries of admin. staff • Software (route planning)

It is also important to make a distinction between fixed and variable transportation costs. Fixed costs are incurred regardless of whether the bus is in use or not and do not depend on the number of kilometres of travel (e.g. purchase of insurance, mandatory inspection), while the variable costs change based on the use of the bus (e.g. fuel and maintenance). FIGURE 7 summarizes the types of costs that are fixed vs. variable.

FIGURE 7: FIXED VS. VARIABLE COSTS FOR STUDENT TRANSPORTATION

Fixed Costs	Variable Costs
1. Bus replacement • School bus purchase costs • Costs of bus equipment/peripherals (GPS, camera, winter tires etc...) 2. Administration • Salaries of admin. staff • Software (route planning) 3. Insurance and licensing 4. Maintenance – Inspections 5. Other capital costs • Bus garage, bus shop 6. Bus driver training	1. Bus driver wages 2. Maintenance • Routine and emergency maintenance excluding inspections 3. Fuel 4. Extra-curricular travel

Distinctions between fixed and variable costs are important in developing a cost-based transportation formula. First Nations can have significantly different costs for providing transportation to a similar number of students depending on factors that drive variable costs (e.g. the number of kilometres, road quality, climate).

Overall, bus driver salaries account for the largest share of the transportation budget (30 percent to 45 percent), followed by bus replacement costs (20 percent to 25 percent), maintenance (15 percent to 20 percent), and fuel (10 percent to 15 percent).



Transportation Cost Elements

This section provides an overview and analysis of each of the key elements of the student transportation costs, including bus driver wages, school bus replacement costs, maintenance costs, fuel costs, insurance and registration costs, training costs, and costs associated with extracurricular activities. This section summarizes:

- Common transportation operations practices among provincial and First Nations school jurisdictions;
- Provincial cost benchmarks, as well as costs incurred by First Nations; and
- Key factors that cause a variation in each cost element (also referred to as cost drivers).

Bus Driver Wages

Wages and benefits for school bus drivers typically account for the largest percentage of student transportation costs. For some bus drivers, compensation is determined through collective bargaining agreements, while for others it is set by private bus operators and school jurisdictions. For drivers who work for school jurisdictions under collective agreements, wages typically increase based on the number of years of service, with set increases defined by salary bands.

Regular Bus Drivers

The compensation structures for regular bus drivers vary significantly from province to province, and among school jurisdictions and school bus operators. It is common for bus drivers to be paid in one of three ways:

- A combination of a daily wage and a per-kilometre rate;
- A flat hourly wage; and
- An annual salary.

Some provincial school jurisdictions interviewed during the 2021 Assessment also reported paying extra for serving students with special needs, supporting extracurricular travel, participating in safety meetings and training, etc.

In 2025, the hourly wages for school bus drivers in Canada typically range from \$20 to \$35 per hour, with notable variation by province and territory. For example, British Columbia and Yukon Territory stand out with average hourly wages of \$30.55 and \$34.80 respectively, while Alberta (\$24.36), Nova Scotia (\$24.14), and Northwest Territories (\$27.28) also exceed the national average. In contrast, Newfoundland reports the lowest average wage at \$20.00 per hour. [19]

Assuming a five-hour workday and 195 school days per year, this translates to an annual salary ranging from approximately \$19,500 (Newfoundland) to \$33,930 (Yukon Territory), excluding employment benefits. These figures do not include additional compensation for overtime, extracurricular trips, or benefits packages, which can further increase total earnings.



FIGURE 8 summarizes the current average hourly wages for school bus drivers across Canada:

FIGURE 8: SCHOOL BUS DRIVER AVERAGE HOURLY WAGES BY PROVINCE, 2025



In addition to differences across provinces, wages can vary by location within the province due to differences in cost of living, labour supply and demand, and the availability of other sources of employment. For example, the cost of living tends to be much higher in remote First Nations, which typically increases wages. Wages also tend to be higher in areas with lower labour supply. For instance, one interviewee from a provincial school jurisdiction noted that bus driver wages were particularly high in their region due to competition from several nearby mines, which offer high wages.

First Nations participants also noted that they typically set their bus driver hourly wages at or above nearby provincial authorities, and like provincial jurisdictions, drivers' wages increase based on the number of years of service. While the hourly rates were comparable to provincial school jurisdictions, First Nations were more likely to employ bus drivers on a full-time basis due to a requirement for a greater number of hours of work per day. The higher number of hours worked was driven by the following:

- **Double Runs:** A double run is where a bus driver either completes one bus route twice or serves two different bus routes in the morning and/or in the afternoon. Five of the thirteen participating First Nations from the 2021 Assessment noted that their bus drivers completed double runs, at least once per day;
- **Off-Campus Requirements:** The majority of First Nations participants noted that buses were used to transport students to land or culture-based programs off-campus at least once a week;
- **Additional Extracurricular Support:** Ten of the thirteen First Nations participants noted that they ran additional bus runs after school to support extracurricular programs; and
- **Longer Routes:** A few First Nations participants also reported having longer bus routes and bus runs approaching three hours return for drivers, including daily inspections.

First Nations also mentioned that they must pay full-time wages to their bus drivers to retain them, since bus drivers residing on-reserve have little to no opportunities to supplement their wages with other work, and government-provided social assistance can be comparable with part-time driver earnings. In the 2021 Assessment, annual salaries for First Nations school bus drivers ranged from \$33,000 to \$55,000. For the 2026 update, these figures have been adjusted for sectoral wage trends based on Canada Job Bank figures, with current annual salaries now typically ranging from \$39,000 to \$65,000, reflecting both wage growth and increased sector competition.



Spare Bus Drivers

In addition to regular school bus drivers, school jurisdictions and bus operators also retain a pool of casual bus drivers (commonly referred to as “spare bus drivers”). These drivers usually work on-call to replace bus drivers who have called in sick, are running late due to inclement weather, or are unable to perform their duties for other reasons. Typically, provincial school jurisdictions try to hire one casual driver for every seven to ten full-time drivers. [20]

Casual drivers are typically paid on an hourly basis for only the days they are called in. The wage rates for casual drivers are generally around \$22 to \$28 per hour in 2025, up from \$20 per hour in 2021, reflecting inflation and sector wage growth. Many provincial school jurisdictions also use their casual drivers for extracurricular transportation during the school day, for field trips, as well as after school, for sports trips. When casual bus drivers are asked to support extracurricular activities in the evenings or on the weekends, they are typically provided with a meal allowance.

Bus Driver Benefits

School bus drivers also receive benefits as part of their compensation. Through interviews with provincial school jurisdictions in 2021, it was determined that benefits packages are approximately an additional 20 percent of drivers’ salaries. Benefit packages include pension or retirement contributions, as well as health and dental packages. First Nations participants indicated that benefits provided for school bus drivers were on par with the rest of First Nations band administration employees, which is typically lower than in provincial school jurisdictions (5 percent to 15 percent).

Compensation and Bus Driver Retention

While compensation models are quite diverse, there is consensus among provincial school jurisdictions and First Nations that current wages are insufficient to retain drivers. Drivers often work part-time and 180 to 195 days per year, so a bus driver’s annual earning potential is significantly less than that of a typical full-time worker who works 8 hours per day and 250 days per year. Further, school bus driver salaries are notably lower than the salaries of commercial bus operators employed by other industries. [21]

School Bus Replacement Costs

School bus replacement is the second-largest transportation expense after driver salaries. Since 2021, bus prices have risen sharply, driven by supply chain pressures and recent U.S.–Canada trade disputes that increased steel costs. [22]

Fleet Composition

As of 2025, internal combustion engine (ICE) buses make up the majority of the Canadian school bus market, with most vehicles classified as Type A (small/mini) and Type C (conventional) buses. The following bus types are currently available on the market:

- Gasoline Buses: Gasoline powered buses have become more popular in recent years due to their ease of maintenance, cold-start capability, and nationwide availability;
- Diesel Buses: These buses are common, especially in larger fleets and on longer routes, due to their fuel efficiency and range, though they can be less reliable in very cold conditions and on rough roads without strong maintenance;
- Propane Buses: Propane-powered school buses represent a small share of the Canadian school bus



fleet. Adoption is concentrated in a limited number of school divisions, primarily in urban and suburban areas or larger rural fleets with access to dedicated fueling infrastructure. In most regions, especially remote and northern areas, propane buses remain uncommon due to the need for local refueling stations; and

- **Electric Buses:** Electric school buses offer zero tailpipe emissions and lower routine maintenance than diesel or gasoline models. Adoption among First Nations remains limited because of very high purchase costs, the need for charging infrastructure, and winter performance constraints (cold weather increases energy use and reduces effective range). In Canadian conditions, winter operation has been shown to use up 26 percent more energy than summer, largely due to battery/cabin heating demands; pre-conditioning and indoor charging help but add complexity. Large battery packs also mean any out-of-warranty battery replacement can be a major expense later in the bus's life. Until grants and infrastructure are in place to address these realities, electric buses are generally not cost-effective for most First Nations' school transportation needs.

For First Nations, factors like distance, weather, road conditions, and access to repairs mean gasoline buses are usually considered the best choice. Smaller First Nations often use Type A gasoline buses, while larger ones use bigger Type C gasoline buses when more seats are needed. [23]

Table 5 provides a high-level overview of the various school bus and fuel types that may be available to First Nations jurisdictions, along with suitability ratings that consider the realities of student transportation for these communities:

TABLE 5: BUS AND FUEL SUITABILITY TYPE FOR FIRST NATIONS, 2025

Bus Type / Capacity	Fuel Type	Key Benefits	Key Drawbacks	Suitability for First Nations
Type A (20 – 30 Students)	Gasoline	• Lower upfront cost • Easy cold starts • Widely serviced	• Lower fuel efficiency compared to diesel	High – particularly where routes are short and service/maintenance infrastructure is limited. Small Type A buses are also more easily maneuverable due to small size.
Type C (50 – 72 Students)	Diesel	• Best fuel economy on long-duty cycles • Range	• Cold-start reliability • Cold-weather maintenance and reliability • Tailpipe Emissions	Moderate – viable with strong maintenance and winterization.
	Gasoline	• Reliable in cold • Simpler maintenance than diesel	• Lower fuel economy and range than diesel	High – dependable service choice where Type A cannot provide adequate seating capacity.



Bus Type / Capacity	Fuel Type	Key Benefits	Key Drawbacks	Suitability for First Nations
	Propane	- Lower tailpipe and noise emissions - Lower maintenance compared to diesel	Fueling infrastructure constraints; variable availability	Low – feasible where propane supply is reliable; otherwise limited.
	Electric	- Zero tailpipe emissions - Quiet operation - Lower maintenance costs	- Requires dedicated charging infrastructure - Very high upfront cost - Reduced range and reliability in cold climates	Low – Charging, storage and maintenance infrastructure needs, high up-front costs and climate limitations are significant barriers.

Number of Active Buses

The number of active buses operated by the school jurisdiction typically equals the number of bus routes. To determine the number of routes, most provincial school jurisdictions use a school bus routing software. This software is aimed at configuring routes in a way that is efficient yet maintains acceptable ride times. Among the provincial school jurisdictions, average ride times remain between 30 and 40 minutes, with maximum ride times of up to 90 minutes. Most school jurisdictions' primary goal with routing was to limit ride times to under one hour.

Unlike the provincial school jurisdictions, First Nations are unlikely to use the software to plan their bus routes. Rather, the number of on-reserve bus routes is driven by historical practices. The number of off-reserve bus routes is driven by the location of schools attended by the students, ride times, and First Nations policies regarding school of choice.²

A few participants noted that over time, they "learned to do more with less", even though the practices did not align with the provincial school jurisdictions. Often, the number of bus routes was adjusted based on the number of buses in good working order and the number of qualified bus drivers. One participating rural First Nation noted that they have an internal policy to keep ride times under one hour, but due to a shortage of drivers, they found it challenging to implement the policy. Two participating First Nations, who operated both provincial and band-operated school routes, noted that ride times could regularly exceed 90 minutes, sometimes reaching 120 minutes in inclement weather. Two other First Nations

Transported Students per Active Bus Ratio, 2021

First Nations participants ratio of transported students to active buses ranged from 24 to 130 with a median of 43, while provincial school jurisdictions typically range from 25 to 45, with a median of 32.

² School of choice is program or policy in which students are given the choice to attend a school other than their on-reserve schools. It is up to First Nations jurisdiction to determine whether the students attending schools of choice (i.e. provincial schools) are eligible for transportation. Some First Nations have established official catchment areas, while others have not.



noted that within the last three years, there had been occurrences where buses were so overcrowded that students were asked to stand during their rides to and from school.

Spare Buses

In addition to active buses, school jurisdictions and bus operators also maintain spare buses for periods when their active buses are being repaired and, in many cases, for extracurricular activities. The majority of school jurisdictions interviewed did not indicate a standard ratio or percentage of spare buses they require. Many school jurisdictions decide to keep their older buses when they purchase new ones. As a result, the number of available spare buses can be as high as 30 percent of an active bus fleet (i.e. three spare buses per ten active buses). The lowest ratio of active to spare buses among provincial school jurisdictions interviewed was one to ten.

First Nations participants in 2021 reported having fewer spare buses:

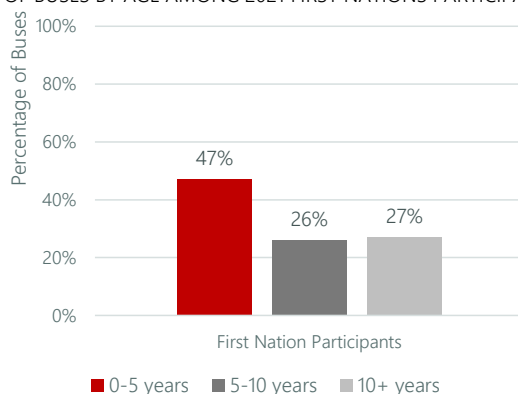
- Close to 40 percent of First Nations participants did not have any spare buses in good working order (e.g. meeting safety standards and having up-to-date inspections).
- Several First Nations participants noted that some of their spare buses were only considered spare because they did not have enough qualified bus drivers to operate additional routes.

A lack of spare buses limited the First Nations' ability to provide extracurricular opportunities, led to frequent service interruptions, and double runs. The double runs have a significant negative impact on both student learning experience and staff morale, as both students and staff must either wait for over 30 minutes for buses before and after school or allow students to leave early/arrive late, thereby interrupting the instruction time.

Bus Replacement Practices

The 2021 Assessment found that the average age of a school bus in Canada is six years, with Ontario, Quebec, and Nova Scotia school jurisdictions having the youngest fleets and PEI and Manitoba having the oldest. The 2021 Assessment also revealed that First Nations typically own and maintain buses that are 5–10 years old or more than 10 years old, which is older than the national average across provinces.

FIGURE 9: PERCENTAGE OF BUSES BY AGE AMONG 2021 FIRST NATIONS PARTICIPANTS





School Bus Replacement Intervals

While school jurisdictions and bus operators typically retire their buses from active routes after between 10 and 12 years, bus replacement practices depend on several factors, including:

- Regulatory Requirements: While most provinces do not mandate school bus replacement timing, Quebec mandates that Type A minibuses must be replaced after 14 years. [24]
- Distance travelled: School buses with significantly more kilometres of travel may have a reduced active life. Regardless of age, buses are typically retired at approximately 300,000 kilometres or more;
- Road conditions: School buses that travel on dirt, gravel, or muddy roads with potholes can also have a reduced active life due to wear and tear;
- Weather conditions: School buses in harsh climates may also have a reduced active life, due to salt damage or other mitigation techniques;
- Access to regular maintenance: Regular and/or preventative maintenance programs are among the most significant factors affecting the lifespan of a school bus. Buses that receive quality, regular maintenance can have significantly longer lifespans and
- Bus storage: Indoor bus storage can reduce the wear and tear on buses and lengthen the active lifespan.

Bus Replacement Cost Benchmarks

The cost of a single school bus (70 to 72 passengers) in British Columbia, as established by 2025 provincial standing offers, typically ranges from \$140,000 to \$180,000, depending on fuel type, required modifications, and selected vendor. Propane buses typically cost an additional \$10,000 to \$15,000 due to specialized equipment and lower production volumes.

British Columbia's standing offer program, managed by the Association of School Transportation Services of BC (ASTSBC), provides a useful benchmark for transparent pricing. However, costs vary by province due to manufacturing location and delivery expenses—for example, a bus in Alberta can cost about \$4,500 more than in Ontario, based on insights from the transportation subject matter expert. [25]

TABLE 6 summarizes current replacement costs for Alberta and British Columbia:

TABLE 6: OVERVIEW OF BUS REPLACEMENT COSTS

Bus Type	Average Alberta Standing Offer Prices	Average BC Standing Offer Prices
Type A – Gasoline	\$137,987	\$136,842
Type A - Propane	\$147,000	No Longer Offered
Type C - Gasoline	\$185,000	\$192,480
Type C – Diesel	\$179,000	\$186,106
Type C - Electric	Currently Not Available	\$521,109
Type D (80+ Passenger) – Diesel	Currently Not Available	\$250,390

Beyond base vehicle costs, school bus prices are affected by modifications and peripheral equipment, which are added based on local needs, climate, and student requirements. According to the 2025 BC Standing Offers



[26] and validation from a subject matter expert, costs for peripherals and modifications typically range from \$1,200 to \$22,000 and include, but are not limited to:

- Wheelchair lifts: \$10,800 to \$15,000;
- Digital cameras (security systems): \$600 to \$2,500
- GPS tracking: \$700 to \$1,200;
- Auxiliary heaters: \$1,200 to \$2,500;
- Mounted spare tires: \$680 to \$1,200;
- 360-Degree Cameras (perimeter visibility systems): \$4,000 to \$6,000; [27]
- Extended Stop Signal Arms: \$3,000; and [28]
- Automated Emergency Braking (collision mitigation system): \$5,000 - \$6,000.

Select equipment and upgrades may be required to meet Transport Canada's Specific Canadian Motor Vehicle Safety Standards (CMVSS).[29] Some safety and collision-mitigation technologies are mandatory or expected to become mandatory under evolving federal regulations.

It is important to recognize that bus prices are frequently considerably higher for First Nations, as they do not benefit from standing offer agreements. Standing offer agreements are pre-arranged purchasing arrangements that set fixed pricing and terms for a defined period, allowing eligible purchasers to place orders quickly without running their own procurements, allowing for greater price stability.

British Columbia remains the only province where First Nations can access provincially negotiated bus purchasing rates through the BC Tripartite Education Agreement and may seek bus replacement assistance via the First Nations Education Steering Committee's Bus Capital Program. As of 2025, comparable bulk purchasing agreements or dedicated capital support programs in other provinces have either been merged into broader education infrastructure funding streams or discontinued.

Maintenance Costs

Maintenance costs typically constitute 15 to 25 percent of the overall annual cost per bus and vary significantly based on several key factors:

- Age of the bus: Operations and maintenance costs increase as school buses age, especially for vehicles in active service beyond 10 years. Older buses, which make up a larger share of First Nations fleets, require more frequent repairs, part replacements, and safety inspections, resulting in higher annual maintenance costs.
- Fuel type: Maintenance costs for diesel-powered school buses are generally higher than for gasoline models. Diesel engines require more frequent servicing of fuel filters, injectors, and emissions systems, and repairs can be more complex and costly. [30] Gasoline engines, by contrast, often have longer service intervals for coolant, spark plugs, and engine oil, resulting in lower day-to-day maintenance costs.
- Access to maintenance services: The frequency and quality of maintenance, as well as proximity to service shops, can significantly extend the useful life of a school bus. Buses in remote First Nations or those with limited access to certified mechanics often experience higher costs due to travel, delays, and reliance on external service providers.
- Road conditions: Poor road quality is a major driver of increased maintenance costs. According to Statistics Canada, potholes and rough pavement can add hundreds of dollars per year to vehicle



maintenance, with repairs and costs rising sharply as the International Roughness Index (IRI) [31] increases. In fact, repairs and maintenance costs can increase by as much as 70 percent for rougher roads compared to well-maintained paved roads.

Provision of Maintenance Services

In 2021, nine out of 11 interviewed provincial school jurisdictions had their own school bus maintenance shops and employed full-time maintenance staff; however, two interviewed school jurisdictions relied on external service shops for school bus maintenance.

All interviewed provincial school jurisdictions that delivered their transportation services in-house reported employing qualified mechanics and having access to at least one shop facility. The ratio of mechanics to buses (including active and spares) was generally between 1:10 and 1:20 (i.e., one mechanic per 10 to 20 buses); however, some of the small school jurisdictions had lower ratios, as they employed only one mechanic and had very few buses. There was one school jurisdiction with a ratio close to 1:30. In Manitoba, the provincial government recommends a ratio of 1:15.

The situation was the opposite in First Nations. Out of the 13 First Nations school jurisdiction participants interviewed in 2021, only two employed qualified mechanics, while another shared mechanics and shop facilities with their respective First Nation's Public Works Department. All other First Nations participants relied on external service shops for school bus maintenance.

Participants from provincial school jurisdictions and First Nations noted that having in-house maintenance with access to a service shop provided significant benefits, including:

- Cost savings: For school jurisdictions with fleets of over 30 buses, in-house maintenance services were less expensive than using external service shops. The savings become even more significant for large fleets (over 100 buses). As maintenance staff are salaried employees, minor repairs and safety inspections do not add to the overall cost of maintenance.
- Timeliness of repairs: In-house maintenance staff are available to handle problems as they occur and can provide a significant response time advantage. Many school jurisdictions, particularly those in cold climates, indicated that their maintenance staff are needed to replace bus batteries and assist with starting broken-down buses throughout the winter months, which is something an external service provider would not be able to provide.
- Increased frequency of maintenance: Access to qualified mechanics allows school jurisdictions to create their own robust preventative maintenance program, rather than deal with issues as they arise, as many First Nations do. Some interviewed school jurisdictions indicated they have maintenance plans where buses receive mandatory service every 6,000 kilometres or eight times per year. This maintenance schedule increased the lifespan of their buses by up to 20 years. On the other hand, most First Nations participants did not have access to qualified mechanics within their community. As a result, they reported taking their buses for maintenance only twice a year, during mandatory bi-annual inspections.
- Bulk purchases of supplies: School jurisdictions with large fleets and multiple service shops require large orders of replacement parts, oil, and fluids. As a result, these jurisdictions were eligible to receive volume discounts and further benefit from economies of scale.

Provincial school jurisdictions with in-house maintenance shops service their fleet at least fleet twice as often as their First Nations counterparts.



Maintenance Cost Benchmarks

In 2025, maintenance costs ranged from \$0.41 to \$0.68 per kilometre, including staff salaries, safety inspections, major and emergency repairs, and routine maintenance such as oil changes, tire replacements, and fuel filter replacements. Maintenance costs can vary depending on several factors. The type of bus and fuel used are important drivers: smaller Type A buses running on gasoline or propane generally have lower maintenance costs, while larger Type C buses, especially those using diesel, tend to be more expensive to maintain. Road conditions also play a major role. Buses that regularly travel on rough or poorly maintained roads experience much higher wear and tear, which can increase maintenance costs by up to 70 percent compared to buses operating on smooth, paved surfaces. In remote areas, limited access to qualified mechanics and service shops can further add to costs, as repairs may require extra travel or reliance on external providers. These factors should be considered when comparing maintenance benchmarks across different First Nations and bus fleets. The following table provides an overview of maintenance cost benchmarks per bus and fuel type, sourced from three Albertian dealerships and validated by a subject matter expert:

TABLE 7: MAINTAINENCE COST BENCHMARKS

Bus Type	Fuel Type	2025 Industry Standard Maintenance Costs (Alberta) - \$/km
Type A	Gasoline / Propane	0.41
Type C	Gasoline / Propane	0.60
Type C	Diesel	0.68

Fuel Costs

This 2026 Assessment found that fuel costs account for between 5 percent and 12 percent of the overall costs of student transportation. Overall, the fuel costs are impacted by the following factors:

- Distances travelled: In geographically dispersed rural school jurisdictions, buses tend to travel longer distances, which increases fuel costs on a per-bus basis.
- Fuel type of school buses: Diesel engines provide from 30 percent to 35 percent better fuel economy than comparable gas engines. This is because diesel engines work with a combustion process that is leaner, burning less fuel than a conventional spark gas engine. [32]
- Age and condition of school buses: Older or poorly maintained buses tend to be less fuel-efficient compared to the new models.
- Quality of roads: Higher surface roughness reduces fuel efficiency and leads to increased fuel consumption. For example, according to a report by the CAA, poor quality roads increase the fuel consumption in passenger vehicles by as much as 12 percent. [33]
- Fuel prices per liter: Fuel prices vary depending on the province, proximity to urban centers and school jurisdictions' ability to purchase fuel in bulk, and the overall global market conditions.



Fuel Prices

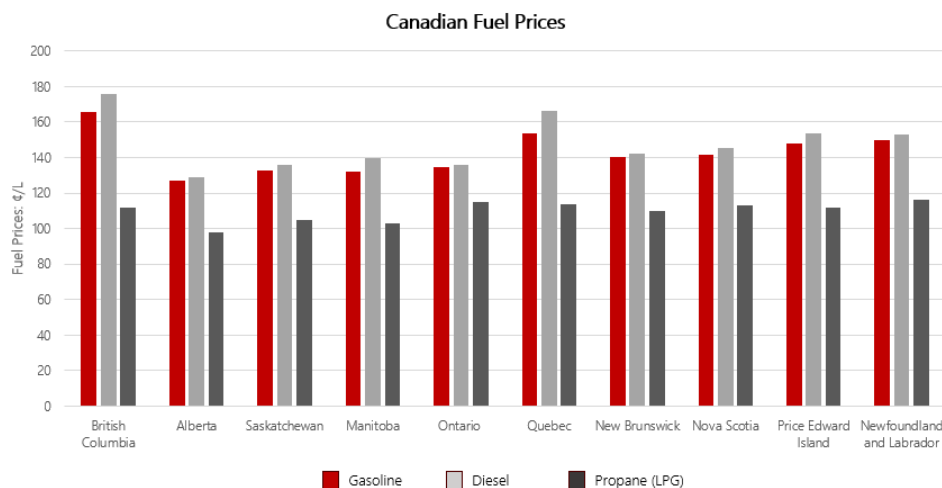
Fuel costs remain a critical and volatile component of student transportation expenditures for First Nations. Since the original 2021 Assessment, Canadian fuel markets have experienced significant fluctuations driven by global supply disruptions and domestic policy changes. [34]

Between 2020 and the first half of 2025, fuel prices increased across Canada. It is important to note that since 2020, diesel prices have surpassed gasoline in every province, with the differential ranging from 0.7 percent in Ontario to 8.3 percent in Quebec (see Figure 10).

Despite diesel's higher per-litre price, diesel buses typically achieve about 30 percent better fuel economy than gasoline buses. Using standard consumption assumptions (40 L/100 km for gasoline, 28 L/100 km for diesel), diesel remains the more cost-effective fuel per kilometre in every province in 2025. This is especially relevant for First Nations operating longer routes in rural and remote areas, where fuel costs are amplified by supply chain and logistical challenges.

FIGURE 10 below presents an overview of gasoline, propane, and diesel prices in each Canadian province as of June 2025, relying on data provided from a subject matter expert, sourced from Statistics Canada:

FIGURE 10: CANADIAN FUEL PRICES, JUNE 2025



Administrative Costs

Salaries of Administrative Staff

School jurisdictions and school bus operators require administrative staff to support their operations. The types of administrative staff can include the following positions:

- **Transportation Manager:** Oversees all aspects of student transportation, including negotiating fuel and bus purchasing agreements, hiring drivers and maintenance staff, and managing issues related to bus



breakdowns;

- Transportation Assistant: Assists the Transportation Manager with all aspects of their role. This position only exists for the largest school jurisdictions;
- Routing Manager: Manages the planning of bus routes and analysis of route efficiency (costs, ride times etc.);
- Maintenance Shop Supervisor: Manages the scheduling and prioritization of school bus maintenance, as well as oversees service parts inventory and purchases of service parts and equipment; and
- Administrative Assistant: Assists all other members of the administration team, manage correspondence with suppliers, parents, service providers etc.

The number of staff varies by the size of the school jurisdiction and the number of students requiring transportation. Among the provincial jurisdictions interviewed as part of the 2021 Assessment, there was one administrative Full-Time Equivalent (FTE) for approximately every 750 to 850 transported students. For larger school jurisdictions, it was common to have at least one FTE in all of the above roles. For smaller school jurisdictions, it was common to have an Operations Director or Associate Superintendent overseeing transportation, along with other areas of operations, such as facilities, maintenance, or finance. Among the interviewed provincial school jurisdictions, the number of administrative employees ranged from 0.33 to 6 FTEs.

TABLE 8: ADMINISTRATIVE STAFF PER TRANSPORTED STUDENT

Number of Transported Students	Administrative Staff
Under 800 students	Up to 1 FTE
800 to 2,000 students	1 to 2 FTEs
2,000 to 4,000 students	3 or 4 FTEs
Over 4,000 students	5 FTEs or more

Administration costs among interviewed school jurisdictions ranged between \$2,000 and \$8,000 per bus annually, though jurisdictions with larger school bus fleets were able to capitalize on economies of scale and generally had lower administration costs per bus. Similar to provincial school jurisdictions, First Nations administration staffing and costs varied based on the number of students requiring transportation and the number of bus routes. In 2021, just under one-half of First Nations participants had designated Transportation or Fleet Coordinator positions. These positions were often hired on a part-time basis and performed other transportation duties (e.g. acting as bus drivers or training instructors). Smaller First Nations school jurisdictions with limited administrative capacity placed the management of their transportation services with maintenance or facility managers, education directors, and/or principals. As many First Nations do not have dedicated transportation education staff and responsibilities were shared among several positions, it was difficult to identify and allocate the administrative costs on a consistent per-bus basis. First Nations participants noted that administrative costs could reach 10 percent of total transportation costs.

Other Administrative Costs

Other administrative costs incurred by provincial school jurisdictions included IT costs related to the purchase and ongoing licensing of routing and bus maintenance software, finance and accounting, legal fees, and other



general costs. Since these “other administrative costs” were not typically incurred by First Nations and/or the expenditure amounts on a per-bus basis were immaterial, they were not researched in detail.

Insurance Costs

School jurisdictions and bus operators are required to secure insurance for their fleets. Insurance is typically charged annually per bus or as part of a fleet policy, where available.

In 2025, school bus insurance costs range substantially from approximately \$200 in Quebec to \$5,000-\$8,000 in private markets like Alberta, reflecting significant increases since 2019-20 due to rising claims, inflation in repair costs, and supply chain issues. Public insurers (e.g., Quebec’s SAAQ at ~\$198-\$210, Saskatchewan’s SGI at ~\$750-\$800), on the other hand, offer lower, more stable rates, while private markets (e.g., Alberta, Ontario) see higher premiums and fluctuations, particularly for small operators.

In British Columbia, Saskatchewan, and Manitoba, operators purchase basic insurance from public insurers (e.g., ICBC, SGI, MPI), with optional additional coverage from public or private insurers.

Registration Costs

School bus registration costs in Canada vary significantly across jurisdictions because provinces and territories apply different regulatory frameworks, classification systems, and pricing models. Some provinces use flat fees, while others apply weight-based or gross vehicle weight (GVW) schedules, and a few have special categories for school buses.

For example, Quebec uses a weight-based structure for school buses, as noted above. In 2025, the total annual cost for a school bus in Quebec ranges from \$420.95 for vehicles up to 3,000 kg to \$786.95 for vehicles over 10,001 kg, reflecting both the insurance contribution and registration fee. This approach contrasts with provinces like Ontario, where costs are tied to the registered gross weight (RGW) and calculated through Service Ontario’s commercial plate system, and British Columbia, where fees escalate by weight under the Commercial Transport Fees Regulation.

Table 9 provides a high-level overview of how school bus vehicle registration costs are calculated across Canadian jurisdictions, along with cost estimates that have informed an average yearly registration costs of \$371 per school bus:

TABLE 9: OVERVIEW OF REGISTRATION COSTS BY PROVINCE, 2025

Province	Calculation Method	Cost
Alberta [36]	Weight/class-based	\$200
British Columbia [37]	Gross weight	\$395
Manitoba [38]	Weight/distance-based	\$258 (midpoint)
New Brunswick [39]	Flat fee	\$75
Newfoundland & Labrador [40]	Weight-based	\$613
Nova Scotia [41]	Class-based	\$99
Ontario [42]	Gross weight	\$695



Province	Calculation Method	Cost
Prince Edward Island [43]	Weight-based	\$606
Quebec [44]	Weight-based	\$606
Saskatchewan [45]	Flat Fee	\$48

Note: The average annual registration cost for school buses was calculated using published or estimated fees from provinces. Only costs for standard school buses in the 10,001–10,500 kg weight class were included. Where a range was provided, the midpoint was used. For provinces with weight- or class-based schedules, the fee for a typical school bus was selected. The average was determined by taking the mean of the available provincial values.

Training Costs

All school bus drivers in Canada undergo specialized training and certification before employment. All provinces and territories require that school bus drivers hold a commercial license class appropriate to the vehicle they operate. In addition, several jurisdictions require school-bus-specific training that covers topics such as legal frameworks and responsibilities, driver condition (fatigue, impairment), defensive driving, passenger behaviour, vehicle safety features, and emergency procedures.

For example, Ontario requires a government-approved School Bus Driver Improvement Course (SBDIC) for Class B or E applicants (minimum 6.25 hours; certificate valid five years); Manitoba requires a Class 2F licence and a minimum of 24 hours of instruction; Saskatchewan requires an “S” Endorsement with periodic retesting and medical standards; and Quebec requires a Class 2 license plus a mandatory certificate of competence (15 hours initial training with a six-hour refresher every three years—training delivery moved online in 2025). In British Columbia, while the Class 2 licence governs bus driving, many School Jurisdictions use the ASTSBC School Bus Driver Training Program (modular curriculum, Version 2.5) for standardized school-bus-specific instruction.

Alberta continues to require Mandatory Entry-Level Training (MELT) for Class 2 (bus) drivers (the Class 2/Class 2-S stream totals approximately 50 hours across classroom, in-yard and behind-the-wheel components), and school-bus-specific S-Endorsement training (School Bus Driver Improvement Program, typically 16–20 hours) for anyone operating a school bus.

The total cost of training includes new driver training as well as the expenditure for ongoing driver training.

- New driver training: incorporate all costs related to the training of a bus driver (e.g., courses, materials, tests, training, classroom materials and manuals, first-aid and CPR training, and road tests).
- Ongoing driver training: costs associated with maintaining a safe level of driver performance.

Bus driver training costs range from \$130 to \$3,000 depending on the province, while licensing costs vary between \$75 and \$450 with renewal fees usually under \$15.

Due to the ongoing nationwide driver shortage in 2025, school jurisdictions, school bus operators, and provincial governments frequently provide funding for training and licence renewal for drivers. Larger school jurisdictions, defined as those with more than 50 bus routes, usually employ a qualified training instructor to oversee and deliver required training. In contrast, smaller school jurisdictions, including First Nations, often use third-party service providers or collaborate with neighbouring jurisdictions that have access to in-house instructors. Access to in-house training instructors can reduce expenses related to travel and course fees, as well as offer increased flexibility for scheduling training sessions.



Extracurricular Transportation Costs

All the school jurisdictions interviewed provide extracurricular transportation, which typically involves both field trips for students and transportation to sports events. Many of the school jurisdictions interviewed noted that provincial funding formulas focus only on busing students to and from school and do not cover extracurricular transportation. As a result, for these jurisdictions, extracurricular transportation costs are charged back to schools and not included in transportation budgets.

Extracurricular expenses are dealt with in three primary ways:

- Per hour rate for the driver: This amount is typically between \$22 per hour and \$40 per hour and is charged back to the school, as jurisdictions that use hourly rates typically don't have set extracurricular funding.
- Per kilometre rate: This amount is typically between \$0.47 and \$2.36 per kilometres and is also charged back to the school, as jurisdictions that use per kilometre rate typically don't have set extracurricular funding.
- Total budget for extracurricular transportation: Schools are given a set total budget for extracurricular transportation and are then expected to organize either third-party contractors or spare buses/drivers to provide transportation. During the 2021 Assessment, school jurisdictions interviewed that managed extracurricular transportation this way budgeted between \$50 and \$100 per student, the equivalent of \$59 to \$118 per student in 2025.

In addition to standard extracurricular transportation offered by both First Nations and provincial jurisdictions, First Nations school jurisdictions also provide transportation support for after-school programs and land-based learning. The funding for extra bus runs related to land-based, cultural, and after-school activities in First Nations is generally sourced from specific projects, programs, or individual school budgets. Participants from the 2021 Assessment indicated that bus driver compensation for these activities was addressed through full-time hours, overtime payments, or flat rates, which ranged from \$80 to \$110 per trip in 2021 and \$94 to \$129 per trip in 2025.



Cost Drivers Specific to First Nations

The section below provides a summary of key cost drivers, unique to First Nations school jurisdictions. These cost drivers increase the transportation costs elements outlined in Section 2 beyond provincial benchmarks and result in provincially comparable funding being insufficient in the First Nations context.

The increased scope for First Nations is driven by:

- Lack of economies of scale;
- Lower socioeconomic status of First Nations students;
- Safety hazards and climatic conditions in First Nations that make walking to school unsafe;
- The need to support off-site language and culture activities; and
- The need to provide off-reserve transportation for students attending provincial school jurisdictions.

The increased scope of transportation services results in the need for additional bus routes and increases all direct transportation costs, such as bus driver salaries and benefits, fuel costs, maintenance costs, bus replacement costs, training, and other costs.

Lack of Economies of Scale

Provincial transportation formulas are designed for school jurisdictions with over 2,000 students. According to the 2020 ISC Annual Report to Parliament, 70 percent of First Nations reserves have fewer than 500 inhabitants, while only four percent have more than 2,000 inhabitants. [46] With on-reserve populations being small, First Nations school jurisdictions do not benefit from economies of scale the way their provincial counterparts do.

While economies of scale create efficiencies that drive down busing costs in provincial systems, First Nations lack these efficiencies, resulting in higher maintenance, fuel, bus replacement, administration, and training costs, described in Table 10.

TABLE 10: IMPACTS OF THE LACK OF ECONOMIES OF SCALE FOR FIRST NATIONS

Cost Element	Negative Impact of Lack of Economies of Scale
Maintenance	Unlike provincial school jurisdictions, First Nations tend to outsource maintenance services to third-party providers. Lack of access to qualified on-site mechanics leads to: • Increased per-unit costs for all basic service jobs and parts (oil changes, fuel filter replacement etc.). • Increased the likelihood of breakdowns and costly emergency repairs since the preventative maintenance is not performed as regularly as in provincial school jurisdictions.
Bus Replacement	Because most First Nations acquire buses individually or in small quantities, they typically do not receive volume discounts and instead pay retail prices. In some cases, First Nations have reported costs of up to \$300,000 for a 72-seat bus in 2025.
Fuel	The small size of operations prevents First Nations from purchasing fuel in bulk (e.g. buying fuel tanks). As a result, they purchase fuel from local retailers at a higher price.



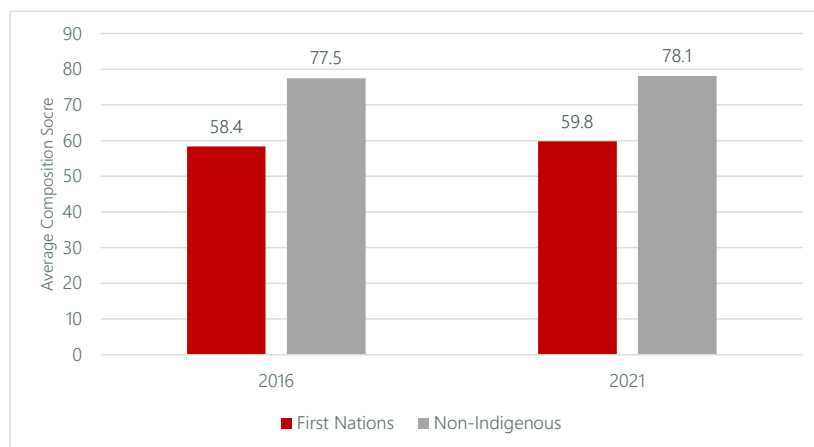
Cost Element	Negative Impact of Lack of Economies of Scale
Administration	Most First Nations do not have a large enough size of operations to hire dedicated transportation staff. As a result, First Nations more often administer their transportation services as part of maintenance or facility portfolios and/or rely on their education directors and/or principals to manage their transportation services. This represents an additional administrative burden for education professionals with scarce time, limiting their ability to focus on educational improvement or other issues.
Training	The vast majority of First Nations do not have a certified bus driver trainer on staff due to the lower number of bus drivers. As a result, they must hire external contractors to conduct all new-driver and ongoing bus driver training, which, on a per-driver basis, tends to be much more expensive.
Insurance and Registration [47] [48]	Fleet programs explicitly provide pricing and administrative benefits to larger fleets. For example, IBC's Fleetplan required more than 20 vehicles and provides fleet discounts under its Basic Tariff, illustrating how scale reduces per-unit cost. In contrast, small operators face fewer options and higher per-unit premiums. The Alberta School Bus Transport Association reports that insurers have been unwilling to insure operators with fewer than 25 routes, materially limiting market choice for small contractors.
Training and Licensing	New provincial requirements for bus driver training that have emerged since the initial report was released (e.g., Ontario's School Bus Driver Improvement Course) have increased both the direct costs of training and the indirect costs associated with travel and time away from communities. First Nations, especially in remote areas, face higher per-driver training and licensing costs due to travel and limited access to certified trainers.

Lower Socio-Economic Status

The gap in the average Community Wellbeing (CWB) Index scores between First Nations and non-Indigenous communities remains significant. In 2021, the average CWB score for First Nations was 18.3 points lower than the average score for non-Indigenous communities. [49] While there has been a slight improvement since 2016, the disparity persists. Between 1981 and 2021, the income gap narrowed marginally but still represents 21.4 points. The average income score was 55.2 for First Nations and 76.6 for non-Indigenous communities, resulting in a gap of 21.4 points. [50] Figure 11 illustrates the updated CWB score comparison for First Nations versus non-Indigenous communities.



FIGURE 11: CWB SCORE COMPARISON, FIRST NATIONS VS NON-INDIGENOUS COMMUNITIES



The lower socio-economic status of First Nations students, families, and communities continues to have significant implications for the provision of transportation services:

- High reliance on bus transportation: A much higher percentage of First Nations students remain eligible for and require bus transportation. Due to persistent socio-economic challenges, many families still lack access to private vehicles to drive their children to school. It was estimated in 2021 that approximately three-quarters of First Nations adults do not hold a valid driver's licence, primarily due to barriers such as cost, limited access to licensing and training facilities, and challenges in obtaining required identification. Families with a private vehicle may be unable to reliably transport students to school due to employment schedules or other commitments.
- Limited parental support for extracurricular travel: First Nations school jurisdictions cannot rely on parents to provide transportation for extracurricular activities and are unable to charge fees for these services. To ensure substantive equality for students, First Nations require dedicated transportation funding that supports a provincially comparable range of extracurricular opportunities, including:
 - Sports practices and tournaments;
 - Field trips to museums, recreation centres, libraries, and post-secondary institutions;
 - Arts, music, clubs, and cultural activities;
 - Mentorship and tutoring programs; and
 - Other enrichment activities essential for exploring new opportunities, developing social skills, and improving emotional well-being.

Safety Issues

First Nations participants raised the following safety concerns during the 2021 Assessment:

- Absence of sidewalks: With many First Nations having no designated pathways or sidewalks, students must share roads with vehicle traffic to walk to school;
- Harsh climate: First Nations participants from northern First Nations and those with higher humidity



noted that harsh climatic conditions make it unsafe for students to walk even short distances to school; and

- Wildlife and dogs: Most First Nations participants noted that packs of free-ranging dogs and wildlife, such as bears, in their community can make it unsafe for students to walk to school or wait at bus stops.

The above safety concerns were noted by First Nations participants as major reasons why their communities do not implement a provincial eligibility standard around walking limits or introduce their own. Without those eligibility standards in place, First Nations transport more students relative to provincial school jurisdictions of a comparable size. Further, students are picked up closer to their homes, which increases the distance travelled by buses and reduces the efficiency of the bus routes.

Language and Curriculum Requirements

Most First Nations school jurisdictions have developed, or are in the process of developing, their language and culture curriculum. A vital component of this curriculum is land-based learning, which typically involves a combination of outdoor classrooms, outdoor learning camps, and on-the-land excursions referred to as land-based learning sites.

To support these programs, which are typically located away from schools (participants noted distances between 5 km and 50 km), transportation services are usually required. Of the First Nations participants engaged through the 2021 Assessment, 18 percent reported that their jurisdiction provided transportation to land-based learning sites once a day, while 45 percent brought students to the sites multiple days per week. The remaining participants either brought their students to culture camps or other land-based opportunities once per week or sporadically.

Off-Reserve Transportation

Over half of the First Nations interviewed during the 2021 Assessment provided transportation services to off-reserve schools. Off-reserve bus routes tend to be longer than on-reserve routes, and in some cases, 2.5 times longer. One rural First Nations interviewee with a relatively large service area operated nine routes to off-reserve schools, transporting students to 10 different provincial schools located in six communities. These off-reserve routes are the First Nation's longest, making up 26 percent of the total routes and accounting for 79 percent of the kilometres driven, with some routes with student ride times exceeding 1.5 hours. The longest routes had ride times exceeding 1.5 hours.

As most First Nations allow their students to choose a provincial school they wish to attend, some routes tend to have very few students on them. For example, one First Nation reported transporting fewer than eight students on a route.



Poor Road Conditions

According to data collected from Core Public Infrastructure Survey, 15 percent of Canadian roads are in poor or very poor condition. Poor road conditions contribute to higher vehicle operating costs due to increased fuel consumption and higher rates of component wear and failure. Even compared to rural and northern school jurisdictions, First Nations appear to have lower-quality roads and infrastructure. Of the 13 First Nations school jurisdictions surveyed in 2021, 11 described the quality of their roads as poor, noting that road quality not only shortened the lifespan of their buses but also increased regular maintenance costs and the occurrence of major and emergency repairs.

A First Nation in Alberta noted that constant driving through mud and over potholes has cracked headlights, knocked windows loose, added repair costs for cleaning caked-on mud, damaged leaf springs, worn-out clamps, and knocked off exhaust systems. The same First Nation often declares a state of emergency in the spring and fall during inclement weather as road conditions deteriorate to the point where emergency vehicles are physically unable to reach individual homes. Other participating First Nations noted that these challenges are not uncommon and that roads deteriorate significantly in inclement weather.

FIGURE 12: ROAD CONDITIONS IN PAUL FIRST NATION, ALBERTA



The impacts of poor road conditions on specific cost categories are summarized in Table 11.

TABLE 11: IMPACTS OF POOR ROAD CONDITIONS ON TRANSPORTATION COSTS

Cost Element	Negative Impact of Poor Road Conditions
Maintenance	Poor road conditions result in more wear and tear on buses and higher routine and emergency/corrective maintenance costs. For example, potholes and poor drainage of roads result in premature tire wear, bouncing and shaking on rough roads reduce the working lifespan of shocks, and moisture and mud building on vehicles can damage lines, brakes, and all moving parts of vehicles. The roughest roads can increase maintenance and repair costs by up to 70 percent.



Cost Element	Negative Impact of Poor Road Conditions
Bus Replacement	The lifespan of buses that drive on poorly maintained gravel and mud roads tends to be much shorter than that of those that drive on well-maintained paved roads. First Nations noted that, due to poor road conditions, buses need to be replaced every 5-6 years rather than the 10-year interval common in provincial school jurisdictions. To avoid service interruptions caused by frequent breakdowns or buses being stuck in mud or deep snow, First Nations need to have access to a substantial number of spare buses, which further increases the annual bus replacement costs. Damage to buses caused by poor roads also reduces the value of buses when they are decommissioned and potentially sold.
Fuel [51]	Higher surface roughness reduces fuel efficiency and leads to increased fuel consumption. Driving with mud or off-road tires to improve traction on muddy roads can decrease fuel economy by up to 15 percent.

In addition to the above direct impacts on costs, First Nations noted that due to poor road conditions buses are required to travel at a slower speed, with one participant noting that deteriorating road conditions can increase bus ride times for students by up to 30 minutes. To maintain reasonable ride times, First Nations have no choice but to add more bus routes at a reduced passenger capacity. Added routes mean higher salary, maintenance, fuel, insurance, and licensing and training costs.

Remoteness

First Nations are often more remotely located compared with their provincial counterparts. Remoteness is generally defined by a community's distance from services measured by network distance, travel time, or costs. Canada's Remoteness Index, which assigns a value between 0 and 1 (0 being the least remote and 1 being the most remote), is based primarily on proximity to multiple points of service. Based on the Remoteness Index, First Nations are more remote compared to the rest of Canada.

The population-weighted average Remoteness Index equals 0.427 for First Nations vs. 0.142 for all communities in Canada combined. ISC's Model for Cost Adjustment Factors Based on Remoteness estimates cost adjustments for funding based on location using a combination of the Remoteness Index and whether the First Nation is isolated (Fly-in) or not. First Nation's Adjustment Factors range from 5 percent to 133.6 percent with a median of 33.4 percent. According to the ISC Cost Model Report, 13.4 percent of First Nations are considered fly-in communities and have a minimum cost increase of 80.1 percent. [52]



For example, a First Nation in Northern Ontario noted in 2021 that to conduct regular bus inspections, maintenance, and repairs, they are required to charter a flight to their community to carry the mechanic and any required parts and tools. This costs between \$9,360 to \$10,530 per trip. This First Nation noted that if specific parts aren't brought up during safety inspections, buses may have to remain unused until the next visit of a mechanic (typically every three months). A First Nations interviewee in Newfoundland and Labrador noted that, historically, they had to ship buses on a barge to bring them to a licensed facility several hundred kilometres away.

Distance from service centres increases costs for many First Nations school jurisdictions. Bringing in buses to maintenance shops means that school buses are required to be taken in on days when bus drivers would not otherwise be working, or a bus needs to be taken out of service, which increases the time on buses for students or the number of bus runs and means spare drivers must be called in.

The impacts of remote locations on specific cost categories are summarized in TABLE 12.

TABLE 12: IMPACTS OF REMOTENESS ON TRANSPORTATION COSTS

Cost Element	Impact of Remote Locations
Wages	The cost of living in remote and isolated First Nations can be substantially higher than in urban areas (e.g. housing, food, fuel, utilities, and services). To attract bus drivers, many First Nations in northern and remote locations must pay higher wages.
Bus Replacement	The long travel distance between First Nations and maintenance facilities tends to reduce the lifespan of buses and increase bus replacement costs. One First Nations interviewee noted that they need to travel up to 1,000 km per year per bus for routine maintenance, oil changes, and minor repairs. To avoid service interruptions, remote First Nations must maintain a higher number of spare buses, as any malfunction or safety issues can leave a bus out of service for weeks or months at a time. Further, shipping new buses to remote First Nations can be expensive, especially for First Nations without any seasonal road access.
Maintenance	Remote and isolated First Nations participants noted substantial maintenance costs related to the transportation of parts, certified mechanics, and shop access.
Fuel	Fuel costs can be substantially higher in northern and remote First Nations. Fuel costs were 197 percent higher for an isolated participating First Nation in Northern Saskatchewan compared with a road-connected First Nation in the same region.
Training	The expenses related to new bus driver training are significantly higher for remote First Nations, as they are typically required to cover training fees and travel expenses for new hires to take private training programs at distant locations. On-going training costs can also be significantly higher, as first-aid, CPR, and other regular training facilitators must be brought in from outside the First Nation.

Example of a Northern Ontario First Nation

A fly-in First Nations education jurisdiction in Northern Saskatchewan has fuel costs that range from \$2.60 to \$2.80 per litre.

There is no maintenance shop, so the First Nation must pay to fly mechanics up for repairs and inspections:

- Travel and accommodation costs start at \$2,294 per trip;
- Shop rental and labour are typically \$3,200 before parts;
- Additional costs stem from high shipping costs for parts.



Higher Student Needs

The transportation costs in the participating First Nations were influenced by increased student needs, such as behavioural challenges and accessibility needs.

Behavioural Challenges

Bus drivers are responsible for transporting students safely and maintaining a secure environment on the bus. First Nations respondents indicated that managing difficult and disruptive behaviour on school buses is a safety concern, which can affect student learning and attendance if not adequately addressed. The task of behaviour management can be particularly demanding for new drivers, who may have limited training and resources to handle such situations.

Accessibility Needs

First Nations typically have a higher number of disabled students who require paratransit services. Larger provincial school jurisdictions have designated schools, programs and/or routes for disabled students that can reduce the number of additional routes for paratransit services and reduce costs. 54 percent of participating First Nations in 2021 noted that they had a passenger vehicle or a bus that has been modified to accommodate First Nations students. Several participants noted that their paratransit services served only one or two students. Participants who did not offer paratransit did not do so because they currently did not require the service, were in the process of acquiring a suitable vehicle, and/or cited a lack of available funding.



Funding for Student Transportation

Current Transportation Funding Allocations for First Nations

In 2019, ISC commenced the First Nations K–12 Education Transformation, replacing previous proposal-based programs with Interim Regional Funding Formulas (IRFF) and Regional Education Agreements (REAs). The IRFFs are designed to mirror provincial funding models within First Nations education jurisdictions, thereby establishing provincial comparability.

The 2021 Federal Budget allocated \$726 million over five years, along with \$181.8 million in ongoing funding, to improve these formulas – particularly with regard to student transportation. ISC used its newly established on-reserve road-distance dataset to implement provincial transportation funding approaches through IRFFs across multiple regions. MNP analyzed provincial student transportation formulas and ISC’s regional implementations to assess current funding approaches, typical components, and how ISC’s Regional Funding Models respond to First Nations-specific cost drivers.

Based on the analysis, the common advantages of ISC’s application of provincial funding models are as follows:

- Although not strictly cost-based, the models are anchored in provincial comparability and offer improved funding compared to historical regional methodologies;
- Calculations assume that all students qualify for school transportation.

The common deficiencies in formula application across provinces are as follows:

- Certain formula components are omitted. For example, The Ontario Student Transportation Fund explicitly includes special-purpose vehicles and relies on routing simulation benchmarks – elements often not typically carried over into IRFFs.
- There is a lack of transparency in detailed calculations and documented assumptions, especially in Ontario;
- In some provinces, components pertaining to paratransit services are excluded; in others, ISC relies on provincial proxy rates for paratransit, which are significantly lower than those in First Nations; and
- The assignment of bus capacity at 48 students per bus route is unrealistic for geographically dispersed First Nations.

It is important to note that the funding for student transportation is generally used to cover bus service to schools in the morning and bus service back home in the afternoon. Extracurricular transportation, including trips to museums during school hours or trips to sports tournaments after/outside of school, are generally included in the school’s internal budget and not funded through the transportation grants.

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Analysis of Funding Approaches by Province

Primary cost drivers are elements in the formula that determine the majority of funding needs. The four primary cost drivers that were compared between models were a per FTE rate, per kilometre rate, and whether the model accounts for the number of routes/buses and remoteness.

Secondary cost drivers are elements in the formula that factor into the overall allocation but are applied after the primary calculation for primary cost drivers has been completed. The four secondary cost drivers that were compared were whether the model accounts for population density, paratransit needs, parent-provided transportation, or bus replacement costs.

The components of the provincial funding formulas for transportation are summarized in Table 13.



TABLE 13: IRFF SUMMARY FUNDING FORMULAS SUMMARY

Province	Primary Drivers of Funding				Secondary Drivers of Funding				Other	
	Number of transported students	Distance traveled	Number of buses or routes	Remoteness	Population density	Special needs adjustment	Parent provided transport adjustment	Bus replacement costs	Considers previous years costs	Other costs and adjustments
Alberta	✓	✓			✓	✓	✓	✓		Fuel price contingency
British Columbia	There is no single formula for transportation funding; support is provided through the School Bus Purchase Program, the Student Location Factor, and an enrolment-based transportation allocation as part of BCTEA.									Extracurricular Transportation
Saskatchewan	✓	✓		✓	✓	✓	✓			
Manitoba	✓	✓	✓	✓	✓	✓		✓		Safety grant and francophone district adjustment
Ontario	✓	✓	✓	✓	✓	✓	✓	✓		Public transit amount, spare capacity component, fuel contingency
Quebec	✓	✓	✓	✓		✓			✓	



Table 14 provides an overview of each province's transportation funding formulas, as well as their current application to First Nations by ISC. It also describes the benefits and drawbacks of each of the respective formulas, as well as their appropriateness in the First Nations context.

TABLE 14: OVERVIEW OF PROVINCIAL TRANSPORTATION FUNDING FORMULAS.

Province	Provincial / First Nations	Transportation Formula Overview and Analysis
Alberta	Provincial Formula [53]	In Alberta, transportation funding is designated for specific purposes and cannot be redirected to other program areas. The Alberta transportation funding formula, implemented across the province in 2020, is a comprehensive approach that incorporates key cost factors pertinent to transportation. Funding is primarily allocated using per-student rates, which are determined by geographic location and population density. Three methodologies are used in the funding formula: • The Rural Transportation Grant considers density allocation, support for parent-provided transportation, inter-school transportation, and cooperative transportation arrangements with other school jurisdictions. • The Urban Transportation Grant includes components similar to the rural grant but provides lower funding levels per student and per kilometre. • The Metro Urban Transportation Grant uses a flat rate for each expected eligible passenger. Rural school jurisdictions receive higher funding levels per student than urban and metro divisions, reflecting higher expected costs. The specific formula components outside of Rural and Urban/Metro Urban Transportation Grants that account for the majority of the funding include: • Boarding transportation funding; • Special transportation grant, which incorporates transportation over the weekend in addition to school days; • Fuel price contingency funding - additional funding provided when the average monthly provincial price of diesel fuel exceeds the rate of \$1.25 per litre; and • School bus driver grant program - funding to support the training of new Class 2-S and 4-S school bus drivers is provided to both authorities and driver upon successful completion of all training.
	ISC Regional Funding Model [54]	IRFF applies a provincial transportation funding formula, which represents a positive shift from the approach used in 2021, when ISC relied on historical transportation funding levels, increased by only 2 percent annually. In contrast to provincial school jurisdictions, all students applying for



Province	Provincial / First Nations	Transportation Formula Overview and Analysis
		transportation funding under the IRFF are presently eligible for the Rural Transportation Grant, and the provincial “home-to-school” distance criteria are not enforced. This approach acknowledges the documented safety challenges First Nations experience, such as severe weather conditions and encounters with wildlife, as previously outlined in this report. Due to data limitations, most formula components are currently estimated using proxy methods: • Density figures are calculated for each Reserve of Residence (as reported on the nominal roll) by dividing the reserve’s total area (in square miles) by the total weighted student population. • An average home-to-school distance is calculated by multiplying the total road length (in kilometres) within each Reserve of Residence by 10 percent. • If a student attends a First Nations school outside their Reserve of Residence (or a provincial/private school), additional kilometres are calculated based on the distance from the boundary of the Reserve of Residence to the school, using Google Maps. Limitations of ISC’s formula applications are as follows: • Weighting factors are not currently applied for: ◦ Students requiring an aide (normally multiplied by a factor of 1.50). ◦ Students requiring a wheelchair (normally multiplied by a factor of 8.0). • The formula also does not include special transportation rates, which provides a special transportation rate of \$5,328 for weekend transportation and \$4,091 for special transportation for each eligible student with disability. • The method used to calculate travel distance for students attending provincial schools off-reserve does not accurately reflect the full travel distance those students must undertake. • The proportion of students with accessibility requirements, used for calculating weighting factors, is 9.58 percent, which is lower than that observed in most First Nations.
British Columbia	Provincial Formula [55] [56]	As of 2025/26, BC does not have a unique student transportation formula as part of its Operating Grants Manual. Student transportation funding comes out of the overall education budget for each school jurisdiction. Education budgets are primarily determined by the number of students, with adjustments for a host of



Province	Provincial / First Nations	Transportation Formula Overview and Analysis
		factors, including: • Remoteness/student location • Climate • Special needs students • Small schools BC additionally provides a top-up for student transportation through the Student Transportation Fund, which began in 2016 and continued as of 2025/26 with an unchanged allocation of \$15.4 million to provide school jurisdictions with the means to improve student transportation. It is based on the rural makeup of each school jurisdiction and is meant to allow the district to eliminate bus fees, add routes, make safety improvements, and improve extracurricular transportation.
	BCTEA Funding Model [57] [58]	Funding for First Nations education in British Columbia is administered through the BC Tripartite Education Agreement (BCTEA). Recognizing that the Student Location Factor does not sufficiently support transportation for First Nations students attending schools on reserve, an additional \$2 million in enhancement funding has been allocated specifically for transportation needs. Additionally, there is approximately \$2.4 million of annual funding as part of the Transportation Capital Funding. School Bus Purchase Program aimed at replacing “below standard” school buses in First Nations. Funding allocations are determined based on the ages and kilometres on each First Nations’ school bus. Additionally, the First Nations can work together with the provincial school jurisdictions to determine First Nations student transportation needs and co-develop Joint First Nations Student Transportation Plans. The plans are to include strategies to address various modes of transportation, such as walking, driving, busing, ferry, or water taxi, depending on local needs, as well as transportation to extracurricular activities. Bus capital replacement funding, as well as support for extracurricular activities negotiated through the BCTEA, are important and impactful best practices that need to be leveraged to develop a national funding approach for transportation.
Saskatchewan	Provincial Funding Formula [59]	The Saskatchewan provincial transportation formula is primarily based on a per-student and per-kilometre rate, which varies between urban and rural school divisions. Urban centres are defined as those with a population of 5,000 or more. Additional funding is provided for students with accessibility needs and for room, board, and flights. A northern factor of 1.33 (33 percent uplift) is applied to all three northern school divisions to recognize the higher costs of transportation. For students living in remote areas who must travel by airplane to attend school in



Province	Provincial / First Nations	Transportation Formula Overview and Analysis
		another community, funding includes support for flights and room and board. The Saskatchewan model has some advantages, including: • The formula uses distance and the number of students as the two primary funding components, which reflect the main cost drivers of student transportation. • It is easy to apply and collect the required data. • The formula includes a northern adjustment to increase funding for jurisdictions in remote, northern regions. However, the formula is less comprehensive than in other provinces: • It is unclear how the rates (per student and per km) are being determined and if they have any connection to true costs involved in the delivery of transportation services. • Operating costs related to the purchase and/or lease of buses, operating costs for maintenance such as bus garages, maintenance workshops and warehouses have been recognized, but there is no clear breakdown of these costs in the funding rates. • The formula does not include any calculations related to the number of buses or routes required, and these are key cost drivers for student transportation.
	ISC Regional Funding Model [60]	The transportation formula included in IRFF has changed since 2021 and is no longer based on ISC's historical funding approach. Instead, IRFF adopts the provincial funding approach. Due to data limitations, such as ISC not currently collecting information on distance traveled, number of students transported, or bus fleet details from First Nations, and the absence of regulations on student transportation eligibility or bus route efficiency reviews, several assumptions have been made to approximate a provincially comparable approach. Similar to other jurisdictions, some of these assumptions had a positive impact on First Nations: • All students on the nominal roll are eligible for transportation, with some exception for students enrolled in virtual, distance or homeschool method of delivery, and students above the age of 21 (adult students). • For distance calculations, the model assumes that 100 percent of on-reserve road kilometres are treated as travelled by bus routes for all eligible students (i.e., the full on-reserve road network length is counted as travelled). The drawback of the IRFF application is as follows: • It uses the provincial rate to estimate the number of students with accessibility needs, which is much lower than in First



Province	Provincial / First Nations	Transportation Formula Overview and Analysis
		Nations. It assumes that a bus transports 48 passengers, which is unrealistic in geographically dispersed First Nations.
Manitoba	Provincial Funding Formula [61]	School jurisdictions must transport resident pupils who do not reside in the same city, town or village as the designated school and have more than 1.6 kilometres to walk to the designated school. Manitoba's transportation funding formula, part of the broader education funding model, allocates resources for student transportation based on a combination of per-student rates and per-loaded-kilometre rates, adjusted for the size, density, and geographic characteristics of each school jurisdiction. Manitoba's provincial funding formula breaks down Transportation Support into four categories that cumulatively form the full funding amount: - Urban: \$290 per transported student for different categories of students in urban areas (Kindergarten, Grades 7-12, and K-12 students enrolled in a program not offered in their home school division); - Rural: \$375 per transported student with similar categories of students in urban areas; - Special Class: \$490 per transported student who is unable to walk safely to school due to identified accessibility needs; - Special: \$2,855 per student with impaired mobility requiring transportation on a specially equipped vehicle used to transport passengers with physical disabilities. Manitoba's provincial transportation formula includes Loaded Kilometre Support, a Bus Grant of \$3,775 per bus for approved rural or school bus routes, and a Safety Grant of \$5 per eligible Kindergarten–Grade 6 student. The formula; also applies Rural/DFSM Loaded Kilometre Support. While these components broaden support (particularly for rural service) they do not adjust for remoteness. In practice, the formula's reliance on loaded-kilometre reporting and DFSM categories overcomplicates funding for First Nations because it requires granular route, distance, and occupancy data that are often unavailable or misaligned with on-reserve realities (e.g., dispersed pick-ups, off-reserve routes, land-based learning trips, and poor road conditions). Consequently, the calculation can be complex to administer and not directly comparable to the fixed/variable cost structure and higher per-bus needs observed in First Nations contexts.
	ISC Regional Funding Model	Unlike the provincial formulas, the IRFF in Manitoba is closely aligned with transportation costs and is primarily based on the total number of



Province	Provincial / First Nations	Transportation Formula Overview and Analysis
	[62]	routes among on-reserve, off-reserve, and half-day transportation, plus bus driver salaries, and extracurricular trips. It includes a remoteness factor (applied to increase funding for isolated areas), as well as additional components for accessibility needs (e.g., bus modifications up to \$8,504 for mobility impairments or safety improvements), bus driver training, and a typical school bus replacement cost amortized over a 10-year lifespan. The formula also incorporates funding for bus replacement, bus modifications, driver benefits, and annual bus driver training, making it one of the most comprehensive funding models in Canada. In contrast with Manitoba's provincial funding formula, ISC also includes a maintenance component, measured at a per-kilometre rate. This IRFF model is considered one of the most comprehensive cost-based approaches nationally, serving as a template for on-reserve transportation and arrangements to provincial schools, with overhauls since 2022–2023 to better align with actual costs in remote contexts. However, drawbacks persist, including: • It does not distinguish between fixed and variable costs, calculating all on a per-kilometre basis, which can underestimate overhead costs; • It excludes administrative costs like transportation coordinator salaries; • Accessible transportation supports can be limited or absent in practice: while IRFF provides one-time bus modification funds (up to \$8,504) and driver training, it does not consistently fund the ongoing operation of dedicated paratransit services, bus monitors/attendants, or higher recurring O&M for accessibility equipment (e.g., lift inspection/repair, specialized insurance). As a result, First Nations with higher student needs (mobility, behavioral, medical) often face persistent gaps even after vehicles are modified. The IRFF's bus-count method uses a 48-student occupancy benchmark, which reflects the effective secondary loading standard on a 72-rated bus. In remote First Nations, actual loads frequently fall below these effective capacities due to long routes and dispersed pickup. A weighted loading standard is a more appropriate benchmark for First Nations, rather than nominal manufacturer capacity benchmarks. The Bus O&M per kilometre rate is standardized across schools and does not take into account the increased cost of maintenance due to remoteness factors and the increased frequency of maintenance when operating on rough roads;



Province	Provincial / First Nations	Transportation Formula Overview and Analysis
		The extracurricular funding, which is a standardized fixed amount across all schools, fails to reflect geographic differences between First Nations or variations in student enrollment.
Ontario	Provincial Formula [63]	Until recently, Ontario's publicly funded education system was supported through Grants for Student Needs (GSN), a framework historically composed of 17 grants that provided financial support for teachers, administration, school operations and maintenance, supplies, equipment, and pupil transportation. Beginning in 2024–25, this funding has been restructured under the newly established Core Education Funding model, following the passage of the <i>Better Schools and Student Outcomes Act (2023)</i>. This legislative reform aims to enhance transparency, simplify the funding formula, and strengthen accountability across Ontario's education system. The Ontario transportation funding formula is the most comprehensive transportation formula among Canadian provinces, as it most closely reflects actual transportation costs. The principal funding source is the Transportation Services Allocation, which encompasses capital expenditures, operating and licensing costs, driver compensation and training, spare vehicles and drivers, and specialized transportation. It also recognizes remoteness, fuel fluctuations etc. Consortia routinely conduct routing simulations to establish the optimal number of routes, applying standardized criteria such as bus type, distance, duration, and rider distribution. In addition to the Transportation Services Allocation, further funding is available for: School Bus Rider Safety Training Allocation: This allocation supports the delivery of standardized safety training programs for student bus riders. Transportation to Provincial and Demonstration Schools Allocation: This allocation finances transportation costs for students attending specialized provincial and demonstration schools.
	ISC Regional Funding Model [64]	In the Ontario Region, ISC based its transportation funding on historical budgets, adjusted by a growth factor of 3 percent in 2019–20, 4 percent in 2020–21, and 4 percent in 2021–22. In 2021–22, ISC also acquired a national dataset of on-reserve road distances using geomatics software and received additional information on provincial methods for calculating student transportation funding. However, ISC does not currently collect data on distance travelled, number of students transported, or bus fleet details from First Nations. Furthermore, ISC does not regulate student transportation eligibility or evaluate bus route efficiency. As a result, a number of assumptions have been used in an attempt to apply a provincially comparable approach. Unfortunately, the IRFF



Province	Provincial / First Nations	Transportation Formula Overview and Analysis
		application contains several significant flaws that negatively impact funding, including: • A 48-passenger full-size bus is set as the default for each bus route, and all associated costs (capital, operating, licensing) are calculated based on this size—regardless of the actual community context, including population size and density. • It is unclear how the Local Priorities and Operations Component has been applied. • A proxy of 5 percent of enrollment is used to estimate special transportation needs, at a rate of \$515 per student with accessibility needs. This proxy is based on the provincial average, while the proportion of students with disabilities in First Nations may be higher. For example, 2017 Canadian Census data noted a 24 percent higher rate of reported disabilities among First Nations aged 15 – 24, compared to non-indigenous census respondents. • There is no transparency regarding how driving time has been calculated. • In the absence of both the Rural Density Factor and Rural Density Ratio, the Average of Proximate School Division Urban Factor has been applied instead, which may not reflect the unique realities of rural or remote First Nations. The upsides are similar to those of other provinces: • All students, except for those being home schooled, are identified as requiring transportation, regardless of any distance eligibility threshold. • The transportation funding has been adjusted to ensure that First Nations do not experience a decline in funding due to the release of the new transportation funding model.
Quebec	Provincial Formula [65]	Quebec's student transportation funding is governed by a structured formula from the Ministry of Education. This formula supports public and private educational institutions, including specialized schools for students with disabilities. The base allocation covers daily transportation to and from school, inter-school transportation for mandatory courses not offered at a student's home school, and periodic transportation for students who do not travel daily due to distance. For public schools, the allocation is calculated from the previous year's retained amount: (A), recurring adjustments (B), an adjustment for enrolment changes



Province	Provincial / First Nations	Transportation Formula Overview and Analysis
		(D), indexation for contract inflation (E), and a five-year correction to the historical base (F); the Ministry's allocation equals the retained amount for the year net of the portion funded locally (H) (i.e., after deducting amounts covered by local revenues such as the school tax). <i>(In the rules the formula is expressed as $I = G - H$.)</i> The Quebec funding formula is based on the number of students transported, adjustments for variations in student population levels, retained funding from previous years, and corrections to historical base funding. The correction calculation includes the number of students, vehicles, and kilometres travelled. While the Quebec formula covers several primary cost drivers, it does not directly adjust for remoteness. Additionally, the formula is complicated to calculate and requires significant administrative work to gather the necessary data, making it inadvisable for First Nations.
	ISC Regional Funding Model [66] [67]	In Quebec, the 2024-2025 interim funding formula for First Nations elementary and secondary education is based on a provincially comparable base amount established in 2023-2024. The formula uses several data points, including student numbers, road distances on-reserve and off-reserve, and applies Quebec's annual indexation methodology. For tuition, the indexation rate for 2023-2024 was 2.19 percent. ISC provides funding for all students registered on the nominal roll, except those enrolled in virtual, distance, or home-based education. As per Quebec's budgetary rules, a weighting for secondary school students is applied in the funding formula. First Nations receive a 5 percent administration fee for managing students attending provincial or private schools, and an additional \$596.23 per student for expenses, indexed annually. Students receiving accommodation support do not receive this extra amount. Adaptations for remoteness exist but are limited: • Most First Nations do not receive specific adjustments for remoteness, size, or transportation challenges • A stabilization mechanism is included to prevent funding from decreasing by more than 1.5 percent year-over-year, which is not part of the provincial methodology, but is added for First Nations schools. Disadvantages of the formula include: • Funding is primarily dependent on changes in the nominal roll, with limited consideration for factors such as remoteness, size, route distance, frequency of trips, and other local variables.



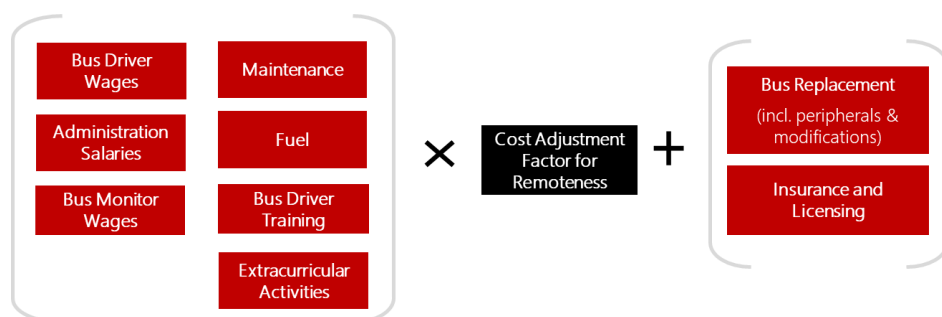
Province	Provincial / First Nations	Transportation Formula Overview and Analysis
		Most First Nations do not receive special adaptations for these factors. ISC also funds First Nations education through the Regional Education Agreement (REA) with the First Nations Education Council (FNEC), representing 22 First Nations. This agreement, effective April 1, 2022 to March 31, 2027, uses a funding formula designed entirely by and for First Nations, ensuring equitable financing for education operations with \$1.1 billion over five years. This replaces the previous model of historical amounts adjusted for inflation (e.g., 2 percent annually pre-2022 due to lack of provincial data applicability) and aligns with the unique First Nations needs.



Recommended Cost Model

In 2021, MNP developed a cost model based on information collected through the jurisdictional scan and engagement with First Nations. The model is meant to reflect provincial cost differences, remoteness, and other cost drivers, as well as unique considerations for providing student transportation in First Nations across Canada. The general structure of the model is provided below:

FIGURE 13: COST MODEL STRUCTURE



The cost model has been updated in 2026. The cost model structure remains the same as in 2021, with updates focusing on updating prices for cost factors and improving the end-user experience of the model. The following section explains step-by-step instructions on how a First Nation can use the cost model to generate overall costs for their education transportation.

First Nations Inputs

The model requires the following data elements to be entered by First Nations:

- The number of transported students;
- The number of on and off-reserve bus routes;
 - The model will have some high-level checks on whether the number of buses meets the minimum requirements for transportation of students.
- The number of kilometres driven on a daily or an annual basis; and
 - If the number of kilometres is unknown, the calculations will be based on the total number of kilometres of roads on reserve, the same as in the current Transportation Model for the Manitoba Region.
- The number of kilometres travelled for extracurricular activities.

Key Changes Made to 2021 Version of the Model

The 2026 update of the AFN Student Transportation Cost Model introduces several important improvements and simplifications over the 2021 version, making the tool more accurate and user-friendly for First Nations



school jurisdictions. The changes reflect updated data, evolving cost drivers, and feedback from users and stakeholders.

Key changes include:

- **Inflation Adjustment:** The model now updates calculations based on annual inflation. Although transportation costs have previously risen faster than inflation, adjusting for inflation improves calculation accuracy until the next comprehensive update.
- **Maintenance Costs:** Maintenance cost assumptions have been updated to reflect current industry benchmarks, with more precise adjustments for road roughness and regional differences.
- **Updated Bus Replacement Costs:** The model uses refreshed bus replacement cost data, reflecting current market prices for different bus types and sizes. Replacement cycles and amortization periods have been reviewed to align with actual First Nations fleet practices, and the model now automatically adjusts for the higher costs associated with purchasing buses outside of provincial standing offer agreements.
- **Additional Bus Modifications:** The 2026 model includes a broader range of bus modifications and safety features, such as 360° cameras, extended stop arms, and automated emergency braking systems. These additions ensure that cost estimates reflect regulatory requirements, and the unique safety needs of First Nations.
- **Updated Data Sources and Assumptions:** All underlying cost assumptions have been updated using the latest available data from provincial comparators, First Nations reporting, and national benchmarks. This update ensures that the model's outputs are current and relevant for funding negotiations and planning.



Cost Modelling Assumptions

The default assumptions detailed below are derived from MNP's initial engagement conducted as part of the 2021 Assessment. These assumptions can be adjusted within the model to reflect actual practices and specific circumstances encountered by First Nations.

TABLE 15: COST MODELLING ASSUMPTIONS

Key Elements of the Cost Model	Assumptions										
1. Bus Driver Wages	- The number of regular bus drivers equals the number of active bus routes. - All regular bus drivers are employed 7.5 hours per day for 180 to 190 days per year (depending on the province) plus 5 maintenance and training days, which equals between 1,388 and 1,463 hours per year. - Bus drivers are paid the average wages of school bus drivers in their province. - Bus drivers receive provincially comparable benefits packages, which equal 20 percent of their base salary. - Spare bus driver salaries are 10 percent of full-time bus driver salary costs. - To reflect the higher cost of living and shortage of labour in remote First Nations, base salaries of regular and spare bus drivers will be multiplied by the ISC Cost Adjustment Factor Based on Remoteness.										
2. Administrative Salaries	- Administration costs consist of salaries and benefits provided to staff involved in managing transportation services. - The number of required administrative staff is based on the number of transported students. The suggested staffing allocations are as follows: <table border="1"> <tr> <td>Fewer than 100 transported students</td><td>0.25 Transportation Manager FTE</td></tr> <tr> <td>100 to 300 transported students</td><td>0.5 Transportation Manager FTE</td></tr> <tr> <td>300 to 1000 transported students</td><td>1 Transportation Manager FTE</td></tr> <tr> <td>1000 to 1500 transported students</td><td>1 Transportation Manager FTE and 0.5 Administrative Assistant FTE</td></tr> <tr> <td>Over 1500 transported students</td><td>1 Transportation Manager FTE and 1 Administrative Assistant FTE</td></tr> </table> - The salaries will be determined based on average provincial salaries for Transportation Coordinator/Manager positions in a particular province. - To reflect the higher salaries in remote areas, total administrative costs will be multiplied by the Cost Adjustment Factor Based on Remoteness.	Fewer than 100 transported students	0.25 Transportation Manager FTE	100 to 300 transported students	0.5 Transportation Manager FTE	300 to 1000 transported students	1 Transportation Manager FTE	1000 to 1500 transported students	1 Transportation Manager FTE and 0.5 Administrative Assistant FTE	Over 1500 transported students	1 Transportation Manager FTE and 1 Administrative Assistant FTE
Fewer than 100 transported students	0.25 Transportation Manager FTE										
100 to 300 transported students	0.5 Transportation Manager FTE										
300 to 1000 transported students	1 Transportation Manager FTE										
1000 to 1500 transported students	1 Transportation Manager FTE and 0.5 Administrative Assistant FTE										
Over 1500 transported students	1 Transportation Manager FTE and 1 Administrative Assistant FTE										



Key Elements of the Cost Model	Assumptions
3. Bus Monitor Wages	- Each bus route requires a Bus Monitor, compensated on an hourly basis. - Bus Monitor positions are part-time (working 5 hours per day for 180 to 190 school days per year). - Bus monitors are paid a relevant minimum wage in their province, multiplied by the Cost Adjustment Factor Based on Remoteness.
4. Fuel Costs	- Fuel costs are calculated on a per-km basis based on the number of kilometres entered by the user and average diesel/gas prices per kilometre for each province on a certain date (e.g. September 1st). - To reflect higher fuel costs in remote First Nations, total fuel costs are multiplied by the ISC Cost Adjustment Factor Based on Remoteness. - As road roughness also impacts fuel consumption, the total fuel costs are also multiplied by 1.01 for Smooth roads, 1.06 for Moderately Rough Roads, and 1.105 for Rough Roads, adapted from Canadian Automobile Association (CAA) figures.
5. Maintenance	- All maintenance services are outsourced to external service shops. - Buses are taken to the maintenance shop four times per year to meet the minimum maintenance standard across provincial school jurisdictions. - Inspections are conducted as per provincial legislation. - To reflect the higher costs of maintenance and travel to maintenance shops, total maintenance costs will be multiplied by the Cost Adjustment Factor Based on Remoteness. - Maintenance is also dependent on road roughness, with low roughness getting a 10 percent cost amplifier and 70 percent cost adjustment for high roughness. [68]
6. Bus Replacement Costs	- The bus replacement cost is calculated based on the number of active and spare buses. The number of active buses equals the number of bus routes as determined by the user, while the number of spare buses is determined by an average ratio of active to spare buses (five to one). - The buses are to be replaced every six years, and costs will be amortized over a six-year period. - Bus purchase costs equal the average retail costs of a 72-passenger bus. 20 percent of buses are wheelchair accessible. - The cost of peripherals (e.g. cameras, GPS, heaters), commonly required by First Nations, will be added to the purchase costs, based on the average prices of these items.



Key Elements of the Cost Model	Assumptions
7. Insurance Costs	- Insurance costs per bus equal average estimates obtained from insurance providers (government or third party) in each province. - Insurance costs are incurred regardless of bus usage (e.g. both active and spare buses require insurance).
8. Training	- All training is delivered by third-party providers, as opposed to in-house. - Costs associated with driver training and medical examinations are fully covered by First Nations school jurisdictions. - All fees are based on information and quotes collected from training and licensing providers in each province. - For introductory-level training, it is assumed that the annual bus driver turnover is 20 percent (i.e. 20 percent of all bus drivers are new and require training). - To reflect the higher costs of providing training in remote First Nations, training costs will be multiplied by the Cost Adjustment Factor Based on Remoteness.
9. Extracurricular Travel	- Extracurricular travel costs depend on the number of kilometres of travel per year. This will be input by the user. - A typical rate per kilometre will be used to calculate costs. - To reflect the higher costs of providing extracurricular travel in remote First Nations, extracurricular costs will be multiplied by the Cost Adjustment Factor Based on Remoteness.
10. Cost Adjustment Factor Based on Remoteness	Cost Adjustments for Remoteness are from ISC's model for Cost Adjustment Factors Based on Remoteness. A remoteness index score and corresponding cost adjustment factor are calculated for each First Nation in Canada. The measured remoteness of each First Nation is based on labour cost differentials and shipping costs. Fly-in First Nations receive additional weighting to account for significantly higher costs.



Cost Model Calculations

Table 16 provides an example of the inputs and results from the cost model for a northern Alberta First Nation school jurisdiction. For consistency and ease of comparison, the inputs were kept the same.

TABLE 16: COST MODELLING RESULTS, EXAMPLE

INPUTS	
Category	Parameters
Location	- Northern Alberta - A community-specific cost adjustment factor based 40.3 percent was added to calculations
Bus Routes/Types	15 routes serviced by 72-passenger Type C buses 1 route serviced by a bus with a wheelchair lift 100 percent diesel fuel
Kilometres	500 km of one-way routes (i.e: morning only, total kms travelled across all routes) 150,000 km of extracurricular travel annually
Transported Students	800 non-special needs students 10 students with severe disabilities

The results derived from the model are presented below:

RESULTS			
Category	Cost per Bus, 2021	Costs per Bus, 2025	Change
Bus Driver Wages	\$44,470	\$49,757	11.9%
Bus Monitor Wages	\$24,153	\$24,245	0.4%
Bus Replacement Costs	\$16,632	\$29,892	79.7%
Maintenance Costs	\$7,737	\$13,289	71.8%
Fuel	\$6,009	\$5,873	-2.3%
Administration	\$8,207	\$8,594	4.7%
Licensing/Insurance	\$1,606	\$4,646	189.3%
Training	\$1,170	\$728	-37.8%
TOTAL	\$109,984.00	\$137,024	24.6%



Analysis of Changes in Costs Since 2021

As demonstrated in the Alberta First Nation calculations example above, total costs rose by 24.6%, primarily due to increased costs associated with bus replacement, insurance premiums, and maintenance.

Fuel prices have remained relatively stable, as has bus monitor compensation, which is tied to Alberta's minimum wage. Training costs have decreased due to the removal of the Mandatory Entry-Level Training (MELT) requirement for Class 2 school bus drivers in Alberta in 2023, aimed at addressing driver shortages.

Although insurance, training, and fuel costs vary considerably across provinces, the common factors driving overall cost increases are bus replacement expenses, bus driver salaries, and maintenance requirements.

Comparison with Provincial School Jurisdictions

Running a comparable bus route in a nearby northern Alberta school division costs \$70,000–\$85,000. Differences in costs between the model and provincial jurisdictions are due to several factors:

- Buses are assumed to be replaced every six years in the cost model, while they are typically replaced every 10-12 years in provincial school jurisdictions. This increases the replacement costs compared to provincial school jurisdictions (\$15,000 to \$17,000 per bus annually).
- Bus drivers are assumed to work full-time hours (7.5 hours per day) rather than five hours per day, which is typical for provincial school jurisdictions. This increases the costs by approximately (\$17,000 to \$20,000 per bus annually), on a per bus basis (50 percent increase);
- All buses require a bus monitor, which is not typical of provincial school jurisdictions and adds between \$20,000 and \$25,000 annually per bus.
- Poor roads contribute to approximately \$5,000 in additional fuel and maintenance costs.
- Additional savings on insurance are between \$1,000-\$2,000.

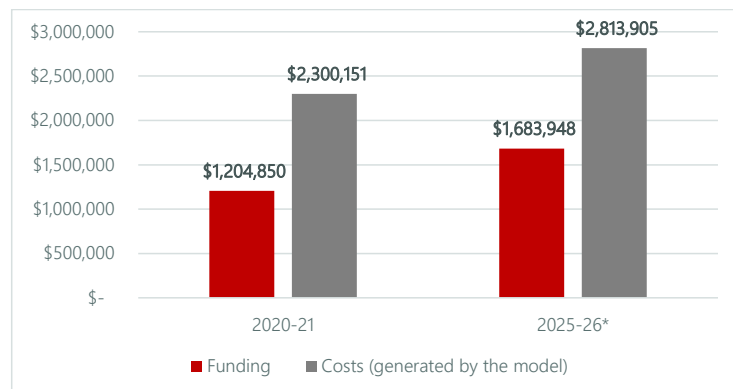
Funding Gap

According to the 2021 Assessment, every First Nations participant indicated that their transportation expenses exceeded the funding allocation provided under the IRFF. The funding shortfall ranged from 6 percent to 127 percent, with a median deficit of 45 percent.

Although engagement for the 2026 Update has been limited and MNP did not have access to funding data for all provinces, it can be reasonably concluded that recent changes to provincial formulas and ISC's transition to provincial comparability have mitigated this gap to some degree.



FIGURE 14: COST VS. FUNDING COMPARISON, NORTHERN ALBERTA FIRST NATION



To make up for continuing funding shortfalls, First Nations accessed other funding sources, such as Jordan's Principle, or used instructional funding.

According to ISC's review of Jordan's Principle data tables from 2021-22 and 2022-23, the total number of requests rose sharply from \$2,051,608 to \$7,181,240. This significant increase highlights growing unmet needs and greater pressure on Jordan's Principle to address the transportation funding shortfall. A summary of the requests is provided below:

Table 17: Summary of Requested Funding in "Education Travel" Category Submitted through Jordan's Principle

Request Type	2021-22	2022 -23	Change Year-Over-Year
Individual Requests for Education Travel	\$1,300,852	\$3,011,303	131%
Group Requests for Education Travel	\$750,756	\$4,169,938	455%
TOTAL	\$2,051,608	\$7,181,240	250%

Further, several 2021 Assessment participants noted that using instructional funding to cover transportation deficits negatively impacted the scope and quality of education services provided to students.

Through the interviews, it also became evident that the actual costs incurred by First Nations are often not representative of true needs. First Nations tend to spend the funds they are provided, and in some cases, their transportation systems fall short of meeting safety and quality and service level standards of provincial school jurisdictions.

The Funding Gap Exceeds Current Deficits
Looking at the current level of transportation spending, as one participant noted that *"Transportation expenditures were limited by a lack of bus capital funding, a lack of safe and suitable buses, an inability to attract certified bus drivers, and a lack of overall educational funding"*.



Conclusions

First Nations are facing issues with school transportation funding based on provincial comparability due to lack of economies of scale, lower socio-economic status of First Nations students, remoteness, higher student needs, and poor conditions of roads and infrastructure. As a result, their transportation costs on a per-bus basis are much higher than the benchmark transportation costs incurred by the provincial counterparts.

The model developed as part of this First Nations Transportation Needs Assessment serves as a starting point for estimating the true costs of transportation. It can be utilized by First Nations as a tool to support their funding negotiations as part of the Regional Education Agreement (REA) process. Ultimately, it may also be used by ISC to inform the development of the new cost-based transportation funding model for all First Nations across Canada.

Additional Considerations

Presented below are some additional operational and funding considerations that need to be taken into account in order to improve the delivery of transportation services and reduce costs.

Bulk Purchasing Programs

School Buses and Parts

In order to reduce costs, it may be beneficial to implement a bus purchasing program at a national or regional level, similar to the one that exists in BC. This would enable First Nations to benefit from standing offers with major bus dealers across Canada for a specified period of time (e.g. fiscal year). The benefits of the standing offers are as follows:

- The prearranged pricing is established through competition and helps avoid fluctuations in prices due to exchange rates and other factors;
- With a standing offer in place, First Nations can place orders quickly and do not need to arrange the procurement on their own;
- First Nations may participate on an opt-in, voluntary basis according to their needs and priorities.

This program could also be expanded to include school bus parts that regularly need to be replaced, like tires, oil, and fuel filters. Replacing these types of regular parts can be significantly more expensive if it's done on an ad hoc basis through local repair shops.

Fuel

For some First Nations school jurisdictions, it may be advantageous to consider buying fuel in bulk. Such an undertaking requires a detailed cost-benefit analysis, which takes into account the geography of transportation operations, fuel needs, upfront installation, maintenance costs for fuel tanks, etc.



Bus Driver Training

To reduce the expenses and administrative burden associated with bus driver training, it may be worthwhile to consider one of the two options:

- First Nations could consider collaborating on organizing bus driver training in multiple locations in each province in the summer. This would allow to save on instructor fees and reduce costs for participants.
- Alternatively, First Nations and ISC could potentially work together with the provinces (through tripartite tables) to allow First Nations to participate in the training provided by their neighbouring provincial school jurisdictions.

Route Planning

For larger First Nations school jurisdictions, it would be beneficial to implement bus routing software, which helps configure the routes in an efficient and flexible way to reduce ride times and better meet the needs of the student population. Doing so would ensure that the number of routes entered into the cost model is an optimal number given First Nation's geography, catchment area, and student population.

Extracurricular Transportation

While extracurricular and co-curricular travel plays a central role in improving student experiences and ensuring substantive equality, it is very difficult to provide an accurate estimate for these expenses due to the wide variation of First Nations' needs, geography, program, and curriculum offerings etc.

It may be helpful to create a separate funding program to support extracurricular and co-curricular travel, outside the main transportation funding model. In doing so, it would be useful to look at best practices in B.C., particularly the First Nations Student Transportation Fund.

This fund helps meet the transportation needs of First Nations students living on-reserve who attend public schools in BC school districts. First Nations are encouraged to work together to identify these needs, including travel for extracurricular activities, and to develop Joint First Nations Student Transportation Plans.

These plans should include strategies for various types of transportation, such as walking, driving, buses, ferries, or water taxis, depending on local conditions.

School Transportation Infrastructure

The cost model does not address capital needs, with the exception of school bus replacement. However, most First Nations participants believe that having access to necessary infrastructures, such as indoor bus garages and maintenance shops, would help reduce maintenance costs and increase the lifespan of school buses.

- While having an in-house maintenance shop is not feasible in smaller First Nations school jurisdictions, they would be warranted in larger school jurisdictions with a fleet of over 15 buses, as well as some isolated First Nations.
- Indoor garages, on the other hand, would be beneficial for all First Nations, regardless of their size. These bus garages will help reduce weather damage and prevent potential security issues.

Therefore, it is recommended that moving forward ISC provides funding for First Nations transportation infrastructure that aligns with best practices related to fleet storage and maintenance.



On-reserve Students Transported by Provincial School Jurisdictions

While the scope of this assessment did not include First Nations students transported by provincial school jurisdictions, it has been recognized that appropriate policies and funding are required in order to meet their needs. The common issues that must be addressed by First Nations in conjunction with federal and provincial governments include:

- Access to extracurricular transportation;
- Transportation to cultural events, community events, and land-based learning opportunities;
- Parameters around pick-up locations (e.g. elimination of highway pick-ups or minimum walking distances for First Nations students);
- Facilitation of safe arrival for children (e.g. supervision during bus travel for disabled students, or supervision while waiting for the bus);
- Funding for First Nations students who are required to leave home to attend a public school and are boarded and billeted; and
- Funding for bus stop shelters.

Some of the leading practices in this area could be found in *First Nations Student Transportation Planning and Procedures* adopted through the BC Tripartite Education Agreement.

Innovation and Safety Technologies

It is important for First Nations to stay informed about recent advancements in school bus safety. While often costly, these innovations offer both preventative and responsive measures to help protect students at every stage of their journey. To support the adoption of such technologies, a dedicated grant or an earmarked portion of the transportation budget could be established, based on the demonstrated needs of individual First Nations and their education authorities. All of the following items are included in the default cost model calculations:

- **Perimeter visibility systems (360° Cameras):** Mandated by Transport Canada for all new school buses by 2027, these systems use multiple exterior cameras to provide drivers with a real-time, bird's eye view of the area surrounding the bus, reducing blind spots and preventing accidents during loading and unloading. [69] [70]
- **Infraction Cameras (Stop Arm Cameras):** Installed on buses to capture images of vehicles illegally passing when the stop arm is extended. Newfoundland and Labrador's provincial government launched a pilot project in 2025 to deploy stop-arm cameras on school buses to deter dangerous driving and improve student safety. [71]
- **Extended stop arms:** Extended stop arms project further into the roadway (up to 2 meters), making it harder for drivers to ignore a stopped school bus. Canadian suppliers report reductions of up to 90–95 percent in illegal pass-bys when extended stop arms are deployed. [69]
- **Three-point seat belts:** While not mandatory, Transport Canada guidelines and pilot projects in Ontario and British Columbia confirm that properly installed and used three-point seat belts can provide an additional layer of protection in severe collisions, such as rollovers.
- **Automatic Emergency Braking (AEB):** Recommended by the Task Force on School Bus Safety, AEB systems use sensors to detect imminent collisions and apply brakes automatically if the driver does not react in time. [71]



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- **Electronic Stability Control (ESC):** ESC is now required on all new school buses in Canada. It helps prevent rollovers and loss-of-control incidents by automatically applying brakes to individual wheels when instability is detected. [69]
- **Predictive Maintenance and Telematics:** Advanced telematics systems monitor engine health, tire pressure, and braking systems in real time, enabling predictive maintenance that reduces breakdowns and enhances safety. These systems also support route optimization and driver behaviour monitoring. [70]
- **Child-Check Remind Systems:** Canadian-developed systems like *Child Check-Mate* provide electronic reminders to ensure drivers inspect the bus for remaining passengers at the end of each route, significantly reducing the risk of children being left unattended. [72]
- **GPS-Enabled Route Optimization:** Canadian school jurisdictions increasingly use Intelligent Transportation Management Systems (ITMS) and GPS-based routing software to improve safety and efficiency. These systems dynamically plan and adjust routes based on student locations, traffic conditions, and hazardous road segments, reducing travel time and fuel costs while enhancing student safety. They also provide real-time tracking and automated notifications for parents and administrators, improving transparency and response times during delays or emergencies. [73]

Electric School Buses

Electric school buses are growing from a small base, with a low national market share, and adoption is mainly in areas with grants and viable charging infrastructure. For First Nations, electric school buses are generally impractical due to the very high upfront capital costs, limited charging infrastructure, the limited battery range in cold weather, and the increased challenge of ensuring adequate maintenance expertise and support.



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