

**Working Partnerships USA**  
**Analysis of Potential Public Costs of School Bus Driver Outsourcing**  
**in Folsom/Cordova**

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**Assumptions:**

In Folsom-Cordova, a classified bus driver with one year experience earns \$13.73/hour with health benefits. The employee can obtain family health coverage (spouse plus children) for an additional \$304/month.

At a private school bus company in nearby Auburn, a bus driver with one year experience earns \$11.00/hour. The employee can obtain single coverage for \$77.07/month or family coverage (employee plus spouse plus children) for \$667/month.

Assumes employee opts not to purchase employer health coverage if the cost is greater than 15% of the employee's total household income.

**Model Output:**

**Total potential annual government transfers per family \***

(includes where applicable: EITC, CalWORKs, Food Stamps, Medi-Cal, Healthy Families, public health services for the uninsured, and free/reduced price school lunch):

<b>Family type and work hours</b>	<b>Public bus drivers</b>	<b>Private bus drivers</b>	<b>Public sector cost of privatization (per family per year)</b>
Single adult, full-time	\$0	\$0	<b>\$0</b>
1 full-time adult 2 children	\$1,099	\$5,367	<b>\$4,268</b>
2 full-time adults 2 children	\$0	\$2,400	<b>\$2,400</b>
1 full-time adult 1 adult not in labor force 2 children	\$1,998	\$7,268	<b>\$5,270</b>
Single adult, part-time**	\$667	\$1,660	<b>\$993</b>
1 part-time adult 2 children	\$14,643	\$17,144	<b>\$2,501</b>
2 part-time adults 2 children	\$5,731	\$9,554	<b>\$3,823</b>
1 full-time adult 1 part-time adult 2 children	\$0	\$3,144	<b>\$3,144</b>

\* Section 8 housing vouchers not included because, even if technically eligible, most families do not receive a Section 8 voucher due to long waiting lists. Inclusion of Section 8 would dramatically increase costs.

\*\* Part-time is assumed here to be 20 hours per week. Part-timers assumed not to enroll in employer health plan.

Louise Auerhahn, Working Partnerships USA  
June 8, 2004

Methodology based on "Government Transfers to Low-Wage Workers Calculator"  
developed by the Los Angeles Alliance for the New Economy

# Government Transfers to Low-Wage Workers

## A Calculator

### Annual Summary for Individual Families

Privatized, full-time, \$11.00 after one year

Current (public), full-time, \$13.68 after one year

Single adult, no children      1 adult, 2 children      2 working adults, 2 children      2 adults (1 working), 2 children

Single adult, no children      1 adult, 2 children      2 working adults, 2 children      2 adults (1 working), 2 children

Gross Household Earnings	\$22,880	\$22,880	\$45,760	\$22,880
Federal Income Tax	\$2,024	\$828	\$3,436	\$468
FICA Taxes	\$1,750	\$1,750	\$3,501	\$1,750
California State Income Tax	\$274	\$0	\$209	\$0
State Disability Insurance	\$183	\$183	\$366	\$183
<b>After Tax Income</b>	<b>\$18,649</b>	<b>\$20,119</b>	<b>\$38,248</b>	<b>\$20,479</b>
<b>Total Taxes Paid</b>	<b>\$4,231</b>	<b>\$2,761</b>	<b>\$7,512</b>	<b>\$2,401</b>

Gross Household Earnings	\$28,454	\$28,454	\$56,909	\$28,454
Federal Income Tax	\$2,864	\$1,581	\$5,109	\$1,028
FICA Taxes	\$2,177	\$2,177	\$4,354	\$2,177
California State Income Tax	\$562	\$0	\$795	\$0
State Disability Insurance	\$228	\$228	\$455	\$228
<b>After Tax Income</b>	<b>\$22,624</b>	<b>\$24,469</b>	<b>\$46,196</b>	<b>\$25,022</b>
<b>Total Taxes Paid</b>	<b>\$5,830</b>	<b>\$3,985</b>	<b>\$10,713</b>	<b>\$3,432</b>

<b>After Tax Income</b>	<b>\$18,649</b>	<b>\$20,119</b>	<b>\$38,248</b>	<b>\$20,479</b>
Earned Income Tax Credit	\$0	\$2,278	\$0	\$2,489
CalWORKs	\$0	\$0	\$0	\$0
Food Stamps	\$0	\$0	\$0	\$835
Medi-Cal Coverage	\$0	\$0	\$0	\$0
Healthy Families Coverage	\$0	\$2,400	\$2,400	\$2,400
Public. Health Services for Uninsured	\$0	\$0	\$0	\$667
Section 8	\$10,836	\$14,988	\$16,224	\$23,088
School Breakfast and Lunch Program	\$0	\$689	\$0	\$877
Total income (cash and noncash)	\$29,485	\$40,473	\$56,872	\$50,834
<b>Total Government Transfer</b>	<b>\$10,836</b>	<b>\$20,355</b>	<b>\$18,624</b>	<b>\$30,356</b>
<b>% of After Tax Income from Wages</b>	<b>63.2%</b>	<b>49.7%</b>	<b>67.3%</b>	<b>40.3%</b>

<b>After Tax Income</b>	<b>\$22,624</b>	<b>\$24,469</b>	<b>\$46,196</b>	<b>\$25,022</b>
Earned Income Tax Credit	\$0	\$1,099	\$0	\$1,309
CalWORKs	\$0	\$0	\$0	\$0
Food Stamps	\$0	\$0	\$0	\$0
Medi-Cal Coverage	\$0	\$0	\$0	\$0
Healthy Families Coverage	\$0	\$0	\$0	\$0
Public. Health Services for Uninsured	\$0	\$0	\$0	\$0
Section 8	\$0	\$13,316	\$0	\$21,416
School Breakfast and Lunch Program	\$0	\$0	\$0	\$689
Total income (cash and noncash)	\$22,624	\$38,884	\$46,196	\$48,435
<b>Total Government Transfer</b>	<b>\$0</b>	<b>\$14,415</b>	<b>\$0</b>	<b>\$23,413</b>
<b>% of After Tax Income from Wages</b>	<b>100.0%</b>	<b>62.9%</b>	<b>100.0%</b>	<b>51.7%</b>

<b>Total Government Transfer Excludi</b>	\$0	\$5,367	\$2,400	\$7,268
<b>Total Income Excl Section 8</b>	\$18,649	\$25,485	\$40,648	\$27,746
<b>Percentage of After Tax Income from Wages (excl Section 8)</b>	100.0%	78.9%	94.1%	73.8%

<b>Total Government Transfer Excludi</b>	\$0	\$1,099	\$0	\$1,998
<b>Total Income Excl Section 8</b>	\$22,624	\$25,568	\$46,196	\$27,020
<b>Percentage of After Tax Income from Wages (excl Section 8)</b>	100.0%	95.7%	100.0%	92.6%

Total wages	\$22,880	\$22,880	\$45,760	\$22,880
Taxes paid (incomes & payroll only)	-\$4,231	-\$2,761	-\$7,512	-\$2,401
Total transfers (incl. EITC)	\$10,836	\$20,355	\$18,624	\$30,356
Total cost to taxpayers	\$29,485	\$40,473	\$56,872	\$50,834
Hourly cost to taxpayers	\$14.18	\$19.46	\$13.67	\$24.44

Total wages	\$28,454	\$28,454	\$56,909	\$28,454
Taxes paid (incomes & payroll only)	-\$5,830	-\$3,985	-\$10,713	-\$3,432
Total transfers (incl. EITC)	\$0	\$14,415	\$0	\$23,413
Total cost to taxpayers	\$22,624	\$38,884	\$46,196	\$48,435
Hourly cost to taxpayers	\$10.88	\$18.69	\$11.10	\$23.29

Total transfers w/out Section 8	\$0	\$5,367	\$2,400	\$7,268
Total cost to taxpayers w/out Section 8	\$18,649	\$25,485	\$40,648	\$27,746
Hourly cost w/out Section 8	\$8.97	\$12.25	\$9.77	\$13.34

Total transfers w/out Section 8	\$0	\$1,099	\$0	\$1,998
Total cost to taxpayers w/out Section 8	\$22,624	\$25,568	\$46,196	\$27,020
Hourly cost w/out Section 8	\$10.88	\$12.29	\$11.10	\$12.99



Privatized, half-time, \$11.00 after one year

Single adult, no children	1 adult, 2 children	2 adults working halftime, 2 children	2 adults (1 halftime, 1 fulltime), 2 children
\$11,440	\$11,440	\$22,880	\$34,318
\$438	\$0	\$468	\$1,719
\$875	\$875	\$1,750	\$2,625
\$0	\$0	\$0	\$0
\$92	\$92	\$183	\$275
\$10,035	\$10,473	\$20,479	\$29,699
\$1,405	\$967	\$2,401	\$4,619
\$10,035	\$10,473	\$20,479	\$29,699
\$0	\$4,204	\$2,489	\$77
\$0	\$4,078	\$0	\$0
\$994	\$3,754	\$2,455	\$0
\$0	\$4,232	\$0	\$0
\$0	\$0	\$2,400	\$2,400
\$667	\$0	\$1,333	\$667
\$14,268	\$18,420	\$23,088	\$0
\$0	\$877	\$877	\$0
\$25,964	\$46,038	\$53,121	\$32,843
<b>\$15,928</b>	<b>\$35,564</b>	<b>\$32,642</b>	<b>\$3,144</b>
<b>38.7%</b>	<b>22.7%</b>	<b>38.6%</b>	<b>90.4%</b>

Current (public), half-time, \$13.68 after one year

Single adult, no children	1 adult, 2 children	2 adults working halftime, 2 children	2 adults (1 halftime, 1 fulltime), 2 children
\$14,227	\$14,227	\$28,454	\$42,679
\$726	\$0	\$1,028	\$2,971
\$1,088	\$1,088	\$2,177	\$3,265
\$0	\$0	\$0	\$89
\$114	\$114	\$228	\$341
\$12,299	\$13,025	\$25,022	\$36,013
\$1,928	\$1,202	\$3,432	\$6,666
\$12,299	\$13,025	\$25,022	\$36,013
\$0	\$4,100	\$1,309	\$0
\$0	\$2,684	\$0	\$0
\$0	\$2,750	\$0	\$0
\$0	\$4,232	\$0	\$0
\$0	\$0	\$2,400	\$0
\$667	\$0	\$1,333	\$0
\$13,432	\$17,584	\$21,416	\$0
\$0	\$877	\$689	\$0
\$26,398	\$45,252	\$52,169	\$36,013
<b>\$14,099</b>	<b>\$32,227</b>	<b>\$27,147</b>	<b>\$0</b>
<b>46.6%</b>	<b>28.8%</b>	<b>48.0%</b>	<b>100.0%</b>

\$1,660	\$17,144	\$9,554	\$3,144
\$11,696	\$27,618	\$30,033	\$32,843
85.8%	37.9%	68.2%	90.4%

\$667	\$14,643	\$5,731	\$0
\$12,966	\$27,668	\$30,753	\$36,013
94.9%	47.1%	81.4%	100.0%

\$11,440	\$11,440	\$22,880	\$34,318
-\$1,405	-\$967	-\$2,401	-\$4,619
\$15,928	\$35,564	\$32,642	\$3,144
\$25,964	\$46,038	\$53,121	\$32,843
\$24.96	\$44.27	\$25.54	\$10.53

\$14,227	\$14,227	\$28,454	\$42,679
-\$1,928	-\$1,202	-\$3,432	-\$6,666
\$14,099	\$32,227	\$27,147	\$0
\$26,398	\$45,252	\$52,169	\$36,013
\$25.38	\$43.51	\$25.08	\$11.54

\$1,660	\$17,144	\$9,554	\$3,144
\$11,696	\$27,618	\$30,033	\$32,843
\$11.25	\$26.56	\$14.44	\$10.53

\$667	\$14,643	\$5,731	\$0
\$12,966	\$27,668	\$30,753	\$36,013
\$12.47	\$26.60	\$14.79	\$11.54