



New York School Bus Contractors Association

Testimony for the Joint Legislative Hearing on the
2010-11 Executive Budget as Introduced by
Governor Paterson

*Ensuring New York State Schools have Access to
Safe, Reliable and Cost-Effective Student
Transportation Services*

February 2, 2010

Tim Flood, Board of Director, NYSBCA

Good afternoon. My name is Timothy Flood and I am here today representing the New York School Bus Contractors Association. I am a member of the association's Board of Directors and I am also the Executive Vice President of The Trans Group -- a company that provides school transportation services to school districts in New York State.

Thank you for allowing the New York School Bus Contractors Association the opportunity to provide testimony on the Governor's 2010-11 Executive Budget proposal.

Before I delve into the Governor's specific budget proposals, I would like to give you a brief overview of the association and the private school transportation companies we represent.

The New York School Bus Contractors Association is an organization comprising over two hundred school transportation companies, also known as school bus contractors, with the primary mission of promoting safe, reliable and cost-effective student transportation services in New York State.

Formed in 1950, the association has a proud and accomplished tradition of serving as the voice of the school bus contractor industry. As far as we can determine, private school bus companies have been around since the late 1830's and have played a significant role in the positive evolution of student transportation in the United States.

The private school transportation company not only represents an extremely efficient and cost-effective alternative to district-provided student transportation services, we actually represent a majority of the school bus transportation market in New York State.

Of the 2.3 million children transported every day, private school bus companies are responsible for safely transporting over 1.3 million of them -- representing nearly 60 percent of the children transported daily in our state.

The private school bus industry plays a vital role in our state's economy employing over 35,000 people and we help save school districts and taxpayers millions of dollars annually.

Now that you have a better understanding of our association and the private school transportation industry, I would like to address three particular budget proposals which can be found in Senate bill 6607 and Assembly bill 9707.

First we applaud and fully support Governor Paterson's proposal to continue funding for the state's School Bus Driver Safety Training grant program. The program allows the state to provide grants to school districts, BOCES and not-for-profit educational organizations to maintain safety programs that help keep New York's student transportation services among the safest in the nation.

The Second item we would like to bring attention to is the Governor's proposal to allow school districts to operate regional transportation services. This proposal essentially allows school districts to enter into agreements with each other for the purpose of providing more efficient student transportation.

The practice of regionalizing transportation services is actually already a fairly common practice with school districts that utilize private contractors. We feel it is a good way to maximize resources and save tax dollars; however, we are concerned with the language of the budget proposal that states that the school district's will determine the contract cost for regionalization based on regulations adopted by the commissioner of the State Education Department .

While we are not opposed to regionalization, we strongly recommend that the budget outline that SED promulgate regulations that require school districts, which are seeking to regionalize their student transportation services, to determine the "true-costs" of their transportation services.

The reason we are asking for a true-cost analysis to be included in the current budget proposal is that many school districts are not aware of the true cost of their transportation services. Given the complexity of school finances, it is often times difficult for school districts to determine which capital and personnel costs are actually attributed to providing transportation services.

This lack of understanding leads many districts to under report their costs and could create a situation where a neighboring school district might not put forth a regionalization plan that reflects the true cost of providing transportation services and thereby create an unnecessary burden on taxpayers. It is vital that all of the costs are represented, so that the decision to regionalize either via school district-provided or private contractor-provided transportation services can be based on valid data.

Our association has developed a valid way to calculate the true costs of district transportation operations and offer it here today. We ask that the Governor's budget be amended to include a cost analysis mechanism, like the one we are submitting today, to ensure school districts are able to determine the true cost of their transportation services.

Further, requiring the process for procuring regionalization services to be open and subject to public bidding is critical to ensure that school districts and taxpayers are able to review and ultimately choose the safest and most cost-effective solution.

Finally, the Governor is proposing a pilot program charging SED to study the barriers to school districts providing regional transportation systems. We believe and have demonstrated that in some cases regionalizing student transportation services works. In most cases a contractor is better suited, but in many rural school districts a school district is better positioned.

Although we do not believe there is a need to incur additional costs to study regionalization, should the state move in this direction we only ask that private school bus operators have a seat at the table – we have a great deal of experience and insight that we can lend to the evaluation process.

As I finish my remarks today, it is important to note that the public-private partnership between New York State schools and school bus contractors is one of the most successful examples of government and the private sector working together. With contractors providing nearly 60 percent of NY's school bus transportation services, schools are allowed to focus on their mission – educating children – leaving contractors to focus on safely transporting them.

On behalf of the entire association, thank you for your time today, we hope you have a better understanding our positions on these particular budget proposals and ask that we be part of any discussions or negotiations involving these provisions.

Thank you again and I will now address any questions you might have.