



New York School Bus Contractors Association

Testimony for the Joint Legislative Hearing on the 2013-14 Executive Budget

*Cost-saving pupil transportation solutions:
keeping our children safe, putting tax dollars back
into our classrooms*

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Good afternoon.

My name is Phil Vallone; I am the President of the New York School Bus Contractors Association and owner of Rolling V Transportation services located in Fallsburg, NY.

I am here today proudly representing the New York School Bus Contractors Association. We are an organization of over 200 private pupil transportation companies with over 35,000 employees – most of which belong to a union.

Today, I will present two cost-saving solutions that will help reduce the cost of student transportation in New York and allow the state to put that savings where it belongs – **back into the classroom.**

However, before I begin, I would first like to give you a brief background of the positive impact private school bus contractors have on our state and local budgets.

New York's school bus contractors provide pupil transportation services for over (one million) children a day – that's more than half of all students riding a yellow school bus to school in New York each day.

School bus contractors currently help reduce pupil transportation costs in New York by an estimated \$200 million dollars every year. On average, our members typically reduce a school district's transportation costs by 20%.

The beneficial relationship between a majority of New York's schools and private school bus contractors is one of the most successful examples of government and the private sector working together -- it is a true public-private partnership.

Now I would like to present two simple solutions that we believe will help save New York State and our cash-strapped school districts upwards of \$100 million per year with no additional costs to the State or our school districts.

So the \$100 million question is, "How do we propose to do that?"

First, assist school districts that are not currently utilizing a private school bus contractor to **explore the option** of contracting with a private school bus contractor and **second**, repeal the state and local sales tax on the purchase of school buses, parts, maintenance and the fuel for those school buses.

We estimate that these two solutions will help reduce school transportation costs by \$100 million. **How do we know this to be true?**

Simple, there are hundreds of school districts across the state using private school bus contractors that are already saving millions of dollars each year.

Let me share one quick example of the cost-effectiveness of private school bus contractors. In 2005, the Manhasset School District on Long Island converted from a district-owned pupil transportation operation to one run by a private school bus contractor. Because of this conversion, the school district is now saving over one million dollars a year in school transportation costs – money that can be used in the classroom.

The intent of our proposal is to **incentivize school districts** to reduce their transportation costs and then put that savings where it belongs – back into the classroom. **So how do we accomplish this goal?**

By allowing school districts that currently have district-run transportation services to keep the savings they realize after they contract with a private school bus operator. Our proposal, which the Senate passed last year, makes this an option for the school district, not a mandate.

The incentive would be limited to five years for each school district that chooses to change from a district-operated transportation model to a private contractor-model.

The state would see an immediate savings because there would be no increase in transportation aid to that school district for five years. After the fifth year, the state and school district would realize additional savings that result from the cost-effective service provided by a private contractor.

The second solution that we would like to put forth today is the repeal of the sales tax on school buses, parts, maintenance, and fuel used to transport school children. This will help save the state and property taxpayers upwards of \$12 million annually.

The unfortunate reality is that school districts currently pay as a portion of their transportation contracts with private school bus contractors the costs associated with the state and local sales tax. New York State and our schools should not be paying a state and local sales tax.

As I conclude with my remarks, we all know that every dollar in savings counts...Let's help our school districts reduce their transportation costs and let's finally repeal the sales tax on school buses so schools can put the savings back into our classrooms.

Thank you and we look forward to working with you and the Governor to improve our education system, reduce unnecessary costs and most importantly – keep our children safe.