

New York School Bus Contractors Association

Testimony
Joint Legislative Hearing on Education
2025 Executive Budget Proposal

Our Priorities...

Safely Transporting School Children
Helping School Districts Manage Transportation Costs
Protecting our Labor Force

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Good Afternoon.

My name is Thomas Smith; I am the President of the New York School Bus Contractors Association and the Chief Operating Officer for Suffolk Transportation Service, Inc., based in Suffolk County, New York.

I am here today proudly representing the New York School Bus Contractors Association. We are an organization comprising of 200 private pupil transportation companies that provide safe, reliable and cost-effective student transportation services to 85% of the school districts in New York. In addition, school bus contractors employ approximately 50,000 people with good paying union jobs with benefits and operate roughly 30,000 school vehicles in New York State.

I want to thank all the members of the joint committee on education for affording the New York School Bus Contractors Association the opportunity to present an overview of our 2025-2026 budget recommendations.

We appreciate the positive working relationship we have with the legislature, Governor, the school districts we serve and the over 50,000 professionals who work to make sure every student is provided a safe ride to and from school. School buses are, and have always been, the safest way for children to travel to and from school.

Two main topics of importance that I would like to discuss are the school bus driver shortage as well as the statewide transition to zero-emission school buses.

First, I would like to highlight a potential solution to the school bus driver shortage. Currently, school bus contractors (in partnership with the DMV) are providing the

CDL driving test on their respective sites. It has been a huge success in terms of getting more school bus drivers tested and on the road. With that said, we realize that we are losing a lot of the potential applicants during the written part of the exam (the permit testing). For example, one of our members had 46 applicants in the CDL permit training class that yielded only 4 permits. This means that only four (4) people went to take the written portion of the test at the DMV. If these potential applicants were tested on our sites, we could easily get 90% of those people through a program passing and quickly. This would GREATLY help the school bus driver shortage statewide.

In regard to the transition to zero-emission school buses, as many of you know, our members are at the forefront of that movement running electric school buses throughout the state. In addition, my company, Suffolk Transportation Inc., is currently running a number of electric school buses on long island so I would be more than happy to answer any questions in relation to the operation and cost of zero-emission buses.

However, there is a big possibility that the ZEB mandate will worsen the school bus driver shortage, especially for rural school districts, due to a presumed need to expand fleet sizes to meet the same demand. This need for fleet expansion is due to: range estimates from manufacturers being greater than real-world figures due to cold and terrain prevalent across New York and significant “downtime” for ZEBs where they are not able to run at all. Increased fleet sizes mean more drivers will need to be hired, trained, and retained.

To be clear, NYSBCA is not against electric busing, a well-intentioned initiative. However, getting students and staff from point A to point B safely, is NYSBCA’s number one priority. As early adopters in the school bus industry's electrification transition, we have gained valuable insights and firsthand experience. This knowledge enables us to advocate effectively for improvements and highlight what is already working, aiming to make the transition more efficient, reliable, and cost-effective.

Unlike consumer electric vehicles that have seen steep price declines, ZEBs cost anywhere from two to upwards of four times more than traditional internal combustion engine buses (ICEs), and costs have not been going down as advocates had said they would during the 2022 budget deliberations. This was recently highlighted in a memo produced by the NYS Educational Conference Board. In fact, under the statewide contract for ZEBs, which was let by the Office of General Services in December 2022, ZEB prices have increased by 8.7% against roughly 6.5% inflation during the same period. Additionally, the estimates for when total cost of ownership parity (TCOP) between ZEBs and ICEs would be achieved, according to advocates during budget deliberations, was 2027, spurring the 2027 purchase date codification. Since then, advocates have pushed back the TCOP date to 2030 and beyond.

There is also the high probability that federal support will be scaled back or removed altogether in the coming months and years as we have already seen with the

immediate pause on the Inflation Reduction Act and the Infrastructure Investment and Jobs Act.

Therefore, NYSBCA continues to advocate for the elimination of the sales tax associated with the purchase of new electric school buses and parts. School Districts who purchase their own buses do not have to pay the sales tax, yet contractors must. The sales tax bill on a purchase of a new electric bus can be around \$30,000 and the cost associated with this tax, as well as the taxes on school bus parts and infrastructure, are passed along from the transportation providers to school districts. School districts, funded by both local property taxpayers and New York State itself, are bearing the cost of funding its own tax.

This brings me to my next point – and this is absolutely necessary in order for the electric school bus road map to become a reality—and that is the need and ability for school districts and transportation companies to have contract flexibility due to all of the uncertainty associated with the electric conversion. Many school districts are in multi-year pupil transportation contracts (2-5 years) and as a result, the districts and private contractors need guidance on our ability to modify existing multi-year contracts in order to provide a mechanism for contractor compensation/ flexibility that is needed due to the unforeseen circumstances and expenses associated with electric school buses.

For example, Contractors who install EV charging infrastructure on their property will face higher property tax assessments, as the new infrastructure is often classified as a property improvement.

As you have likely figured out, 5-year contracts entered into today, already bring us well into 2029. Therefore, in order to avoid NYSED's pupil transportation department having to review likely over 4,000 contracts in a short period of time, it is essential that we have the ability to modify our existing contracts due to the increase in costs. As this is a contract amendment, both the school district and contractor of course would have to agree to the terms. This is a straight technical amendment to the law that is needed in order to comply with the zero-emission bus mandate.

In addition, NYS must require utilities to provide specialized rate structures for school districts and contractors. School districts and contractors that are transitioning to ZEBs provide benefits to utilities in the electrification of our state's grid. The charging of ZEBs during off-peak times, as well as their ability to participate in Vehicle to Grid (V2G) technology, may provide significant stability to utility providers' operations. While electricity appears cheaper per mile, demand charges during peak charging hours can drive costs significantly higher. School buses should be exempt from peak energy charges.

As transportation providers for more than half of the school-age children in this state, we have a record of safety, quality, and cost effectiveness that is unparalleled. We are proud of the work we do, and the services we provide.

Thank you very much for your time today. We are here to help, so please do not hesitate to call upon us. We look forward to working with you and the Governor to improve our transportation system, reduce unnecessary costs and most importantly—keep our children safe