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New York School Bus Contractors Association

Testimony for the Joint Legislative Hearing on the
2015-2016 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 Michael Martucci; I am the Vice President of the New York School Bus Contractors Association and an owner of Quality Bus Service, which is headquartered in Sparrowbush, New York.

Thank you for allowing the New York School Bus Contractors Association the opportunity to present our budget recommendations to this committee.

The New York School Bus Contractors Association comprises nearly 200 pupil transportation companies with approximately 40,000 employees in New York State.

Today, I will present a simple cost-saving solution that will help reduce the cost of student transportation in New York and allow the state to put that savings where it belongs – in the classroom.

New York's school bus contractors provide safe, reliable pupil transportation services for nearly 60 percent of the 2.3 million children each day. We do this with nearly 30,000 school buses.

School bus contractors currently help reduce pupil transportation costs in New York by more than \$200 million dollars each year.

School Districts like Manhasset on Long Island are saving over \$1 million a year – money they are putting back into the classroom.

Over the past few years, Governor Cuomo has challenged our school districts to find ways to become more efficient...

...The 2% property tax cap has put tight fiscal restraints on school districts and the Governor's push to freeze property taxes has put further pressure school districts to control spending.

Even amid the Governor's record funding proposals for education, the New York State United Teachers union points out that many of our schools receive fewer tax dollars than they did just six years ago.

So the question becomes, what else can be done to help school districts reduce costs?

Well we have a simple solution, exempt school buses from the state and local sales tax, it's a single budget initiative that will help taxpayers and our cash-strapped school districts save an estimated \$14 million per year.

Currently, the State of New York and our school districts pay, as a portion of their transportation contracts, the state and local sales tax on the purchase of every school bus used by private operators.

You heard me correctly; the unfortunate reality is that school districts that utilize private school bus contractors currently pay, as a portion of their transportation contracts, the state and local sales tax. The state then reimburses the school district for a portion of the expense while the local property taxpayer picks up the rest.

We have a situation where the state of New York is funding its own sales tax.

Exempting school buses, the parts, maintenance, and fuel used to transport school children is the right thing to do. It will have no negative impact on the state's fiscal plan; quite the contrary, it will allow the state and school districts to put that money where it belongs – in the classroom.

Here is a list of public-benefit transportation industries that are exempt from the sales tax:

- Coach Buses
- Transit Buses
- Commercial Aircraft
- Ferry Boats
- Fishing Vessels
- Tractors, Trailers and Semi-Trailers
- Race Horses...well race horses might not provide a public benefit.

Let's help our school districts reduce their costs and let's finally exempt school buses from the state and local sales tax.

Thank you and we look forward to working with the legislature and the Governor to improve our education system, reduce unnecessary costs and most importantly...transport our children to school safely each day.