

New York School Bus Contractors Association

Testimony
Joint Legislative Hearing on Education
2021-2022 Executive Budget

Our Priorities...

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

Corey Muirhead, President

New York School Bus Contractors Association and
Executive Vice President, Logan Bus Co., Inc. & Affiliates
nysbca.com

January 28th, 2021

Good Morning.

My name is Corey Muirhead; I am the President of the New York School Bus Contractors Association and the Executive Vice President for Logan Bus Co., Inc. & Affiliates in Ozone Park, NY.

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 for over 300 school districts in New York State – transporting over half of the 2.3 students who ride a school bus to school each day.

In addition, school bus contractors employ approximately 50,000 people with good paying jobs with benefits and operate roughly 30,000 school vehicles in New York State. On average, school transportation services provided by NYSBCA members cost tax payers nearly 20 percent less than public school transportation services.

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 2021-2022 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.

I'm here today to stress the critical need that school districts are ensured that they will be provided full state reimbursement for all transportation costs incurred during the pandemic (*see AB 1501-sponsored by Assemblyman Nick Perry*). ***I can't stress the urgency enough:***

“School Bus Industry in Crisis because of Coronavirus”

<https://www.nytimes.com/2020/08/28/us/coronavirus-school-buses.html>

“Coronavirus News: One of the largest school bus companies on Long Island goes out of business” <https://abc7ny.com/baumann-bus-company-drivers-long-island-ronkonkoma/6136218/>

“The school bus industry deserves attention before it is too late”:

<https://stnonline.com/blogs/the-school-bus-industry-deserves-attention-before-it-is-too-late/>

After the statewide school shutdown on March 13th, 2020, many school districts took the position that they could no longer pay our members for their services absent assurances from NYSED that transportation expenses would continue to be reimbursed. While school districts have agreed to pay their pupil transportation contracts so long as the State Education Department maintains state aid to the districts, this aid continues to be very much in doubt.

Under the Executive Budget proposal, transportation expenses incurred by districts during the period of time schools were required by the Governor to go remote—mid March through the end of the school year in June 2020—would not be eligible for transportation aid. This is due to a specific provision in the state Education Law that only offers reimbursement for the “*actual costs incurred in physically transporting students to/from school.*” Statewide, this may result in a loss of approximately half of a billion dollars in state aid.

However, the State must guarantee the continuity of state transportation aid even during a pandemic or declared emergency in order to maintain school bus services and operations, even when not “physically transporting students to and from school”, as there is still a cost in doing so and that cost is factored in over a 180-day based contract.

While we appreciate that the Executive proposal would make costs related to the delivery of school meals, instructional materials, and internet connectivity during the Spring 2020 closure eligible for Transportation Aid, this only addresses part of the problem.

School bus contracts are bid for 1-5 years, based on a school calendar of 180 days. As many of our employees are part of collective bargaining agreements (ATU, TWU, Teamsters and other locals), we guarantee 40 paid weeks of work (pursuant to the 180-day contract). Although some of our cost is clearly labor related, a piece of this labor cost is directly connected to keeping our operations ready, willing and able to conduct business (vehicle maintenance, training and other administrative costs). The balance of the cost to operate is in the form of cost of equipment and other fixed costs, such as rent and other overhead items. **If our members will not be paid for 180 days, then the unit price must change or these operations run the risk of financial failure.**

On November 6th, 2020, NYSED sent a memorandum to all school districts stating it would be looking at ways of amending the Education Law to help school districts:

" to be reimbursed for costs incurred to keep transportation vendors and employees on standby between March 18, 2020 and May 1, 2020, for costs associated with the use of school buses to deliver school meals, homework packets and wi-fi access during periods of school closure, and for costs incurred to maintain the infrastructure necessary to have transportation services available to support in-person education."

While this is better than the Executive Proposal, to not support transportation expenses for May and June is to suggest that the school bus transportation system in the state could have been completely shut down, leaving banks to repossess vehicles, insurance payments to lapse, and employees to linger without wages or benefits (including health insurance). All of this while the industry had to remain ready for summer school and while the NYDMV was closed and not testing for new drivers.

School bus companies provide many more services than just "transportation" services. This industry may be extremely narrow, but it runs miles deep. The laymen's naiveté does not know the myriad of compliance, qualification and regulatory hoops school bus contractors must jump through before that bus gets on the road to even provide the "transportation services." These drivers and these buses must be the safest people and vehicles on the road to transport our precious children.

Let's dive into that. Before a school bus goes on the road, the following needs to happen: Drivers and matrons must complete their 19-A Medical, New York State Department of Transportation physicals, 19A Road Test, blood pressure and diabetes follow-up, physical performance, annual and monthly abstracts, CPR/First Aid training, 13 county background checks, and other courses regulated by the New York State Department of Education.

Mechanics must maintain the vehicles in accordance with the MC300 vehicle inspection report, so that the vehicle can receive a passed inspection sticker from the New York State Department of Transportation. This inspection is conducted twice a year and continued even during the pandemic. How are the above regulatory compliance requirements not services provided to the school districts? If these are not done, there is no transportation service to be provided.

Transportation is a basic operational requirement that is a necessary cost for all districts across the state. School districts have limited ability to control these expenses, which often follow strict state mandates and regulatory requirements. Moreover, a reduction in transportation aid would have a disproportionate impact on districts that most rely on sufficient state reimbursement in order to provide transportation services to their students.

Even while not providing daily transportation services, our professional drivers, matrons and mechanics remain at the ready and on call as needed. Year after year, our members safely transport children to and from school every day. Now is the time to secure the experienced workforce by keeping them employed, paying their wages and continuing their medical benefits. Student transportation remains the backbone of the educational system, and this important industry must be protected.

We have been in constant communication with our members and it appears that most districts found a way to support at least some of the cost with the understanding SED is reimbursing the district for state aid. However, much litigation was initiated and some litigation remains unresolved. We are taking the children of this state to school. Fighting with our customer over the uncertainty of payment is expensive and disruptive and does not allow us to focus on the safety issues at hand.

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.

We are here today, not asking for an increase in spending for school transportation, instead we are here merely asking to be paid for the services that we provided to our school districts.

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.