

New York School Bus Contractors Association

Testimony
Joint Legislative Hearing on Education
FY 2027 Executive Budget Proposal

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

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January 29th, 2026

Good Afternoon.

My name is Paul Mori; I am the President of the New York School Bus Contractors Association and the NY Director of Client Relations for Beacon Mobility.

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 2026-2027 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.

The Issue: Driver Shortages and Non-Domicile CDL Barriers

Many school bus contractors statewide continue to experience a critical shortage of qualified school bus drivers. One major contributing factor is recent federal action regarding non-domicile Commercial Driver's Licenses (CDLs).

On September 30, 2025, the New York State Department of Motor Vehicles (DMV) issued RTU Bulletin No. 25-09, stating that "the purpose of this bulletin is to inform RTU of the procedures to immediately pause CDL road testing and knowledge permit testing of non-domiciled permit holders pursuant to the issuance of an Interim Final Rule (IFR) by the United States Department of Transportation (USDOT)'s Federal Motor Carrier Safety Administration (FMCSA), until further notice."

In addition, this past December, USDOT directed New York to immediately revoke improperly issued non-domiciled CDLs and bring its licensing practices into compliance with federal law. The State was further instructed to pause all issuance, renewal, transfer, and upgrades of non-domiciled CDLs and Commercial Learner's Permits (CLPs) during a comprehensive internal audit.

Compliance and Safety Assurance

It is important to clarify that non-domiciled CDLs or A-1 restrictions are not "illegal" per se. These licenses are lawful under both federal and state law, provided the driver's visa remains valid. New York State and our company rigorously monitor all drivers through the 19-A system, including nightly checks with DCJS and the FBI. All of our drivers are properly licensed and compliant with applicable regulations—this is a matter we take extremely seriously.

Operational Impact

Despite full compliance, these regulatory actions significantly slow the onboarding of otherwise qualified drivers and will reduce our ability to maintain full route coverage if New York State is ultimately required to remove A-1 / non-domiciled CDL holders—even those holding lawful licenses.

Actions We Are Taking

We want to emphasize that we are actively working to mitigate these risks. Our efforts include:

- Retention incentives and sign-on bonuses
- Maximizing routing and scheduling efficiencies to preserve service

Proposed Solutions for Consideration

Despite these efforts, internal measures alone are no longer sufficient to fully offset the current workforce pipeline challenges.

- **Social Security Retirement for School Bus Drivers** - Allow access to Social Security retirement benefits for school bus drivers.
- **School Bus Driver Tax Credit** - Establish a tax credit for actively working school bus drivers who hold a CDL. Eligibility tied to 19-A rostered drivers in good standing. \$2,000.00 in direct benefits paid to qualifying school bus drivers.
- **Incentives for Multi-Tier Transportation Systems** - Encourage adoption of multi-tier transportation systems through enhanced transportation aid, which would: return decision-making authority to school districts to address transportation challenges. Save millions of dollars statewide. Reduce the total number of drivers needed, while remaining compatible with existing contract structures. This will also support increased wages for bus drivers.
- **Contract Modification / 10 Year Extended Contract Terms for Electric School Buses (ESBs)** - Explore a 10-year contract term for ESBs. Ideally, contracts would include price adjustment mechanisms that are not solely tied to CPI, with specific provisions allowing adjustments for labor and vehicle (equipment) costs. Connecticut's 10-year contract model could serve as a reference point.
- **Recruiting School Bus Drivers Through a State-Sponsored Public Service Announcement**- This is a modest investment with immediate statewide impact—helping students get to school safely, reducing stress on families, and strengthening our education system. By allocating funds in the state budget for a statewide school bus driver recruitment PSA, the PSA can highlight school bus driving as a valuable, stable career with flexible hours, and benefits—appealing to retirees, veterans, parents, and career changers. By linking the PSA to a central landing page, prospective drivers can immediately find information on local job openings, training programs, and support resources.

On the electric school bus front, NYSBCA continues to advocate for the elimination of the sales tax associated with the purchase of new electric school buses, parts, and infrastructure (AB 61165/ SB 5422). 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.

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.

In addition, New York's electric school bus mandate represents a fundamental change to school transportation contracts that were signed years before electrification requirements existed. AB 5073 / SB 6257 is essential to allow school districts and contractors to modify existing contracts so the mandate can be implemented without service disruptions, legal conflicts, or financial instability. In summary, Contract Modification is a necessary companion to the ZEB Mandate because a mandate without contract flexibility is unworkable. This bill ensures contractors can invest in electric buses responsibly, Districts remain compliant with state law, students continue to receive reliable transportation. Contract modification is not a loophole — it is a practical implementation tool.

Lastly, while we support the transition to zero-emission school buses, New York's current ZEB purchase timeline is not achievable for districts or contractors as shown in the recent NYSED report from this past October. We respectfully request extending the purchase mandate to 2035, consistent with California's phased approach. California—operating ~24,000 school buses—recognized the need for additional time. New York operates roughly 50,000 buses and will clearly require a longer runway to ensure a successful transition.

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