



New York School Bus Contractors Association

Testimony for the Joint Legislative Hearing on the  
2012-13 Executive Budget as Introduced by  
Governor Cuomo

***Ensuring New York State Schools have Access to  
Safe, Reliable and Cost-Effective Student  
Transportation Services***

January 23, 2012

Phil Vallone, President

**Good afternoon and thank you for inviting us to speak.**

**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 representing the New York School Bus Contractors Association; an organization of over 200 private pupil transportation companies providing school bus services to school districts all throughout New York State.**

**The Governor's Budget Proposal is focused on making schools more efficient and putting resources back in the classroom. This is a mission that our organization supports. I hope we can demonstrate to you how we can help the state save money on student transportation services and put those savings back into the classroom.**

**However, before I do that, I would like to give you a brief overview of the New York School Bus Contractors Association and its members.**

**Formed in 1950, the New York School Bus Contractors Association is an organization of over 200 pupil transportation companies or school bus operators, with the primary mission of promoting safe, reliable and cost-effective student transportation services in New York State.**

**Private school bus operators not only represent an extremely cost-effective alternative to school district-operated pupil transportation services, we actually represent a majority of the pupil transportation market in New York – transporting nearly 1.3 million of the 2.3 million children riding yellow buses every day.**

**Private school bus operators play a vital role in our state's economy employing over 35,000 people in good paying jobs. Further, private school bus operators help save school districts and the state over 200 million dollars every year.**

**I would now like to address the Governor's budget proposal pertaining to pupil transportation services and put forth some common sense proposals that will help reduce pupil transportation costs in New York State. We believe these proposals will generate upwards of 100 million dollars a year in savings and tax revenue – money that can go back into the classroom.**

**There are four proposals in the Governor's Executive Budget that I would like to comment on.**

**The first is the extension of the state's Request for Proposal law pertaining to school transportation contracts until 2017. Our association categorically supports this proposal because it is the single most important law that helps school districts provide safe, reliable and cost-effective student transportation services in New York State.**

**The second budget proposal addresses the idea of performance grants to make school district operations more cost-effective so that the savings can be put back into the classroom. We**

support this general idea and believe that the most important initiative that will help school districts realize the greatest cost savings is the utilization of private school bus operators. How do we know this to be true?

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

The question for policy makers this year is, “How do you incentivize the rest of our state’s school districts to explore the use of cost-effective private school bus operators?” Again, it is simple, let school districts keep the savings that we generate and use it in the classroom.

The third proposal we wish to comment on is the consolidation of the Department of Transportation’s regional offices. While we fully support changes that will improve government efficiency, we ask that to be included in the discussions to ensure that any consolidation efforts will not increase our costs or cause any other undue burdens.

The fourth and final proposal we would like to comment on is the implementation of “performance-based” bus inspections of poor-performing operators. The association supports initiatives that improve safety as long as our members’ due process rights are protected.

In addition to the aforementioned Executive Budget proposals, the New York School Bus Contractors Association would like to offer three simple initiatives that will help save school districts and the state of New York over 100 million dollars a year – money that can then be put back into the classroom.

First, exempt the purchase of school buses from the state and local sales tax. It is ludicrous that property taxpayers are currently being forced to pay sales taxes on school buses and fuel being used to transport our state’s school children. Things used in our classrooms are exempt from the sales tax, so too should things used to get our children to the classroom.

Second, create an incentive for school districts to properly explore the use of the most cost-effective pupil transportation service solution in the country – the use of private school bus operators.

I’d like to share a quick story that illustrates the cost-effectiveness of private school bus operators. In 2005, the Manhasset School District on Long Island converted from a district-owned operation to a private-run operation. 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...

...and if any school superintendent out there needs help in evaluating their pupil transportation costs, we will gladly provide you with one of our pupil transportation cost analysis tools. This tool is available on our website and can be used to help school districts pinpoint the true cost of their pupil transportation services and evaluate the cost-efficiencies of using a private operator.

...and the third cost-saving initiative we'd like to propose is an end to unfunded mandates that prevent school districts from making smart decisions on purchasing school buses.

It is time for New York to allow school districts to order a new school bus with less expensive reflectorized school bus signs. It is silly to think that New York prevents school districts from having the option to order a bus with either an illuminated or reflectorized school bus sign on the front and back of their buses when 48 other states allow it.

It is also time for the legislature to repeal or amend an unworkable law that requires fire suppression systems on school buses that transport special needs children. The law has been on the books for a number of years and DOT has yet to find a workable solution.

These three initiatives, a sales tax exemption for school buses, incentives for school districts to utilize school bus operators, and ending unfunded mandates, will help put over 100 million dollars in savings and tax revenue back into our classrooms. These three initiatives will also ensure our school buses remain the safest, most reliable and cost-effective mode of transportation on the road.

School bus operators are a proven cost-savings solution for many school districts across the state. New York school bus operators currently help reduce pupil transportation costs in New York State by over 200 million dollars every year. Our members typically reduce the average school district's transportation costs by 20%.

These facts have been widely documented. A report issued by the Council of Great City Schools, which is a group comprising 66 of the nation's largest urban public schools, released a multiyear study that highlighted best practices in pupil transportation operations – private school bus operators scored exceptionally well against their public school counterparts. The report stated private operators provided unparalleled bus services for far less money than school districts.

We are not saying that a private school bus operator is always the solution; in some cases it doesn't make sense for a school district to utilize a private operator. In most cases however, school districts just can't compete with our efficiency models.

As I conclude with my remarks, we all know that every dollar in savings counts...Let's incentivize our school districts to utilize private school bus operators so that schools can put the savings back into the classroom and focus on their mission – educating children.

On behalf of the entire association, thank you for your time today. We hope you have a better understanding our positions on the Governor's budget proposal. We look forward to working with you to bring needed efficiency to our schools and state.

**Thank you and I will know answer any questions you might have.**