

New York School Bus Contractors Association

Testimony
Joint Legislative Hearing on Education
2022-2023 Executive Budget

Our Priorities...

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

Nicholas Vallone, President

New York School Bus Contractors Association and
Executive Vice President, Rolling V. Bus Corporation
nysbca.com

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Good Afternoon.

My name is Nick Vallone; I am the President of the New York School Bus Contractors Association and the Executive Vice President for Rolling V. Bus Corporation based in the Catskills region of 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 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 union 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 2022-2023 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.

- **3rd party testing and/or permitting**

We applaud the Governor and the Legislature for your time, support, and efforts to help battle the crisis we are in with the school bus driver workforce shortage. We strongly support the Governor's plan to roll out a pilot program for 3rd party CDL testing and stand ready willing and able to be a helpful partner in the phase two roll out as we have members who are already doing this in other states across the country.

This is the one initiative that will have the greatest as well as long-term impact on the school bus driver shortage. We are certain that 3rd party testing is a significant adjustment that will impact long term capacity and make most if not all of these current shortage issues obsolete. We know that this would bring the biggest and most impactful change and at the same time require the lowest effort from the state and build immediate capacity. I can't stress that enough.

Secondly, to help address the current bus driver shortage we strongly urge that Education Law Section 305 that speaks to pupil transportation contract modification be revised. Current law does not allow for contract modification or amendment unless *"such amendment is necessary to comply with any federal, state or local law, rule or regulation imposed after the execution of such contract, or to enhance the safety of pupil transportation, as determined by the board or trustee subject to the approval of the commissioner pursuant to regulations which shall require demonstrable enhancements in pupil safety and/or increased savings consistent with maintaining pupil safety. Such amendment shall cause no additional cost to the state, locality or school district."*

As stated above, current law does not permit contract modification when it is in relation to wages, benefits, or compliance. This measure is critical in order to assist contractors and their school districts to find creative ways to address the school bus driver shortage and receive compensation for doing so.

- **Excessive financial burden regarding quarantine expenses for 2021**

Although the infection dropped during the summer months, we have been paying our employees 10 days for all covid cases. Last month your office reduced the quarantine to 5 days, but only if symptoms resolve. Please note that 75% of current cases are still quarantined for 10 days. Since all Federal assistance ended in 2020, we estimate that we have paid over \$20,000,000 to employees to quarantine. This helped keep our workplace and students safe, but it was and continues to be a tremendous financial burden on our businesses and an expense for which we are not reimbursed.

Currently, we estimate that we are spending over \$2,000,000 per week on quarantine pay. We are asking for your support to allow private school bus contractors to submit an invoice (supported by actual payroll records) to our district customers for the quarantine expenses incurred since January of 2021. We also ask that the state reimburse the districts for this one-time crisis payment. These dollars went 100% into our employees' wages, not for service, but for

the health and safety of our children. These expenses should be supported by the state and could be considered as part of the federal-aid package received by the state and our districts.

- **Electrification of NY's school bus fleet**

NYSBCA applauds Governor Hochul, the Senate, and Assembly for proposing to electrify New York's entire school bus fleet by 2035. As you may be aware, NYS has already begun transforming its school bus fleet to incorporate electric school buses and our members are at the forefront of that movement running electric school buses throughout the state. It is clear that the question is not **if** electrification will become the dominant propulsion method of school buses, but when it will. <https://bronx.news12.com/new-yorkers-to-see-fully-electric-powered-nyc-schools-buses-in-september>

The answer to that question is closely tied to cost. Despite the significant advantages of electric buses, the upfront purchase price has emerged as the greatest obstacle to their adoption. It is imperative that there is full compensation from government to cover electrification costs including infrastructure expenses. This means that the government must provide for full funding of the differential cost between a clean diesel or gas-powered bus and an electric powered vehicle.

New electric buses can cost 2x-3x (or even greater) compared to a traditional new diesel bus. Fleet operators often just can't afford the upfront cost, even with grants and other subsidies. And while the trend is clear – electric vehicles continually get cheaper – the funding gap for now remains too great for many. **One creative way to speed up the conversion to an all-electric school bus fleet is by eliminating the sales tax associated with the purchase of new electric school buses. (AB853/SB 1290).**

On average, more than \$8,000 of sales tax is charged for each new diesel school bus that is on the road. The cost associated with this tax, as well as the taxes on school bus parts and fuel, is 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.

NYSBCA members have already begun transforming its school bus fleet to incorporate electric buses which can quickly become cost-prohibitive, with sales tax bills alone accounting for up to \$23,000 per vehicle. Eliminating the sales tax on the purchase of new electric school buses would offset a variety of other financial challenges facing school bus operators, including wage increases for drivers, rising insurance premiums and the purchasing of additional safety equipment and resources, allowing the New York school community to focus on what's best for our children, including reliable, state-of-the-art transportation that provides all students with safe and efficient access to school.

In addition, we strongly suggest the creation of a "Green Ribbon Panel" to examine and research from actual experience in running electric school buses in New York, the quickest and most efficient way to get to 100% electric. It only makes sense to include representatives from the

school bus industry as we are the ones running the buses right now, prominent environmental groups, school personnel and parents of school-aged children on this panel. New York needs to truly examine how we can establish a school bus fleet that will improve air quality and cut emissions in the quickest period of time.

Nevertheless, none of this will be possible if there isn't a change to the Education Law Section 305 that speaks to pupil transportation contract modification as noted above. Conceivably, if you are purchasing a bus 3.5x more expensive than a diesel bus, your current transportation rates will not be able to sustain the new expenses. So, while a 10-year contract would be helpful, it is entirely meaningless without tangible monetary contract modifications.

- **School bus driver training program**

Lastly, we appreciate that the Executive Budget proposal includes \$400,000 for the continued funding of the State Education Department's school bus driver safety training program. This program has been in existence for decades and provides valuable safety training for school bus drivers, attendants and monitors across the state and plays a vital role in keeping our students safe in and around the school bus.

Thank you for the opportunity to share our concerns and recommendations regarding the FY 2022-23 Executive Budget proposal. We are available to discuss these recommendations with you further should you need additional insight or information. NYSBCA truly appreciates the legislature's continued support of New York's school transportation system.