

**New York School Bus Contractors Association**

Testimony  
Joint Legislative Hearing on Education  
2023-2024 Executive Budget

**Our Priorities...**

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

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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 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. 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 2023-2024 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.

NYS is well on its way in transforming the school transportation sector, requiring all school buses purchased after 2027 to run on electricity and replacing all 50,000 diesel-fueled buses in the state with electric vehicles by 2035. As many of you know, our members are at the forefront of that movement running electric school buses throughout the state and working closely with NYSERDA on the state's roadmap.

Despite the significant advantages of electric buses, the upfront purchase price has emerged as the greatest obstacle to their adoption. 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 is by eliminating the sales tax associated with the purchase of new electric school buses and parts.

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 \$30,000 or more 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. (AB 1517).

However, this brings me to my next point – **and this is absolutely necessary in order for the electric school bus road map to become a reality**—and that is the need and ability for school districts and transportation companies to have contract flexibility due to all of the uncertainty associated with the electric conversion.

Many school districts are in multi-year pupil transportation contracts (2-5 years) and as a result, the districts and private contractors need guidance on our ability to modify existing multi-year contracts in order to provide a mechanism for contractor compensation/ flexibility that is needed due to the unforeseen circumstances and expenses associated with electric school buses. As you have likely figured out, 5-year contracts entered into today, already bring us well into 2028.

Therefore, in order to avoid NYSED's pupil transportation department having to review likely over 4,000 contracts in a short period of time, it is essential that we have the ability to add an electric vehicle rate to existing contracts and/or the ability to adjust the base price for the vehicle.

Although current NYSED Rules and Regulations permit contract modification between a school district and contractor in order to comply with state law (here, the electric vehicle mandate), the

same regulation also questionably states that such amendments shall result in no additional cost to the State, locality, or school district. (8 NYCRR § 156.1(f)).

Last but not least, in order to help alleviate the bus driver shortage, we are asking for a school bus driver tax credit to be issued directly to our professional and dedicated drivers and staff. This should be based on the state's 19-A rostered drivers in good standing with \$2,000 going direct to School Bus Drivers with a sunset date in or around 2035 (around the time of the electric mandate).

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.