



New York School Bus Contractors Association

Testimony for the Joint Legislative Hearing on the
2014-15 Executive Budget

***Cost-saving pupil transportation solutions:
Keeping our children safe, putting tax dollars back
into our classrooms***

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Good afternoon. My name is Michael Martucci; I am a Board Member of the New York School Bus Contractors Association and an owner of Quality Bus Service, which is headquartered in Sparrowbush, New York.

Thank you for allowing the New York School Bus Contractors Association the opportunity to present our budget recommendations to this committee. It is truly an honor to be here today.

I am here representing the New York School Bus Contractors Association; an industry of nearly 200 pupil transportation companies with over 35,000 employees all across the state.

Today, I will present a simple cost-saving solution that will help reduce the cost of student transportation in New York and allow the state to put that savings where it belongs – in our classrooms.

However, before I begin, I would first like to give you a brief overview of the positive impact private school bus contractors have on school transportation safety and our state and local budgets.

New York's school bus contractors provide safe, reliable pupil transportation services for more than half of the 2.3 million children that ride school buses each day...and we do this on over 25,000 school buses.

School bus contractors currently help reduce pupil transportation costs in New York by more than \$200 million dollars each year.

Schools across the state are benefiting from the efficiencies private bus operators provide. On average, a private school bus operator can help a school district reduce its transportation costs by 20%.

20% is a significant savings, savings that can be put back into the classroom or used to hold the line on property taxes. School Districts like Manhasset on Long Island are saving over \$1 million a year – money they are putting back into the classroom.

Clearly the public-private partnership between our school districts and bus contractors is an excellent way for school districts to control costs.

Turning to this year's executive budget proposal, Governor Cuomo has challenged our school districts to find ways to become more efficient...

...The 2% property tax cap has put tight fiscal restraints on school districts and this year's call for to freeze property taxes for two years will further pressure school districts to control spending.

Many school districts have been pushed to the brink; they have cut teachers, classroom resources and after school programs.

Even amid the Governor's record funding proposals for education, the New York State United Teachers union points out that 69% of our school districts receive fewer tax dollars than they did five years ago.

So the question becomes, what else can be done to help school districts reduce costs?

Well we have a simple solution, a single budget initiative that will help taxpayers and our cash-strapped school districts save over \$12 million per year.

Currently, the State of New York and school districts pay the state and local sales tax on the purchase of every school bus purchased by private operators.

Yes, you heard me correctly; our state and school districts pay the state and local sales tax on the purchase of a school bus used for school purposes.

It is unbelievable...and it is time to end this silly budget merry-go-round. It is time to exempt school buses from the state and local sales tax.

The unfortunate reality is that school districts that utilize private school bus contractors currently pay as a portion of their transportation contracts the costs associated with the state and local sales tax. The state then reimburses the school district for the expense of the transportation contract not paid by school district taxpayers.

The legislature and Governor exempted private coach buses from the sales tax back in the mid-90's because of the public and environmental benefits of riding a bus; it seems logical that school buses should receive the same treatment.

Exempting school buses, the parts, maintenance, and fuel used to transport school children is the right thing to do. It will have no negative impact on the state's fiscal plan and it will save tax payers millions of dollars each year.

As I conclude with my remarks, we all know that every dollar in savings counts...let's help our school districts reduce their costs and let's finally exempt school buses from the state and local sales tax so we can put the savings back into our classrooms.

Thank you and we look forward to working with the legislature and the Governor to improve our education system, reduce unnecessary costs and most importantly...transport our children to school safely.