

LESSONS LEARNED IN MANHASSET

A Huntington Coach Success Story

With budgetary concerns becoming more and more important for School Districts as money gets tighter and taxes get higher, there is a constant and growing search for ways to save money without affecting education. That said, many people fear change, and converting a transportation system is a big change. A change that big needs to be controlled and carefully helped along.

Every part of the country has it's own differences and intricacies, so first, some background on our area of operation, Long Island, New York. Long Island is 1,200 Square Miles, and home to 1,750,000 people. There are approximately 8,000 - 9,000 school buses on Long Island, a little more than half contractor, the balance District owned. No district transportation system is completely owned and operated by a district on Long Island; all rely on contractors to some degree for their out of district non-public and special needs students at the least.

It's very expensive to operate on Long Island, land is at premium, labor, fuel and insurance prices are all well above the National average. On the other hand, there is a good labor pool, and there are good opportunities for routing efficiencies because the districts are relatively compact and contiguous. Our company serves over 200 schools in just our small area alone.

Because of these efficiencies, along with the fact that private contractors simply work more efficiently than public entities, we have never seen a legitimate budgetary analysis that did not warrant private contracting on Long Island. Recent studies have shown that districts will save significant dollars by privatizing their transportation operations.

Our conversion in 2005 was a District called Manhasset School District. We are also currently involved in helping some other districts in our area consider their options.

The Manhasset District Administration had been considering a conversion for many years. Of course money is a big factor in deciding whether to convert, but it's not the only reason. Manhasset had an old bus fleet, and was facing some tough decisions over large scale replacement and an aging shop facility. The High School needed to expand and had not nearly enough parking, and with limited property, moving the buses off site would allow this growth. Also, their sports teams were driven by the regular route drivers, and subsequently showed up as much as an hour and a half late for sports charters on a daily basis. The Student Council made a presentation to the Board of Education, pleading for something to be done, as they were forfeiting games.

In 2004, they hired a private consulting firm to analyze their transportation system, and found that they could save over \$800,000 per year by privatizing. The District's own Transportation Director did an analysis and identified \$700,000 in savings.

A real fact of life regarding conversions is that not everyone approaches a transportation budget analysis the same way. It is very important to be thorough, and root out ALL comparative costs. NSTA has produced a spreadsheet that is very helpful in order to nail these costs down, but it is also important to be sure it is utilized by someone with true impartiality. Another good idea is to take your completed analysis, and let the District transportation Director on one side, and local contractors on the other, pick it apart and identify missing costs and components. Reconciling the discrepancies found by both will get you very close to the true numbers.

The study complete, the Manhasset District then put out a bid for transportation services and liked what they saw.

It's important you know all the laws and State Regulations in your area, because often people don't realize certain opportunities and potential hazards exist. In Manhasset, the District's School Bus Driver's Labor Agreement with their Union happened to be coming to an end at the end of that school year. It would have been very difficult to do a full conversion otherwise. This timing is very important, and part of the reason why a conversion can be a long term project. There are other options, including replacing drivers by attrition as they retire or as buses age out, but it's important to plan out all the labor details early in the process. Remember, high labor costs are one of the reasons the district is considering outsourcing in the first place. Labor will often be the loudest voices of opposition.

In contemplating the decision to privatize, a Board of Education in New York could, in theory, simply authorize the conversion on a majority vote of the board, as long as it was only a one year contract. Manhasset chose to put a three year contract on the ballot at budget vote time, in order to attract multiple contractors submitting proposals and secure stability for three years. The referendum passed, the contract approved, and Huntington Coach was selected as the winning bidder. Our proposal was projected to save the District \$1.3 million per year.

We spoke at countless board meetings, PTA meetings, street corners, anywhere people would listen, and answered all their questions as accurately as we could. The more visible and honest the communication with the public, the smoother it will go. We worked hard to sell ourselves and our reputation to the community.

Once we had secured the contract, we focused every effort on making the conversion go smoothly. We began work on the runs right away. All the routes were constructed based on the idea that we would run exactly as they did last year, in order to minimize conversion problems. We would make the routes more efficient as we moved forward. More on that later.

As far as vehicles for the contract, the District sold off their fleet (giving an added financial boost), and Huntington Coach purchased all brand new buses for the contract.

As far as the drivers, we offered jobs to all the outgoing District drivers, and shifted some of our drivers from other facilities on a temporary basis, beginning the year with a full staff less than two months after the contract was awarded. In order to make the parents and children feel more comfortable, we held a meet and greet in our Driver's room with coffee & donuts for them to get to know each other. Now we were ready to begin the school year.

The startup was not without hiccups. We found that much of the information provided by the outgoing staff was incorrect or incomplete. We scrambled to address any and all problems and concerns, and redesigned the district's entire system in short order, working closely with the administration and the public.

Within a short period of time, the transition was complete. The routes were running smoothly and athletic charters that ran over an hour and a half late the prior year were now on time. We were now providing more and shorter routes, with much better on time performance, in brand new buses. In addition, our drivers, who the community was originally leery of changing too, are now a trusted and loved part of the community. In the end, when the budget figures came in, even with the increased service, they had saved \$1.1 million dollars in the first year, and that's enough to put a smile on everyone's face.

Over time, the district added 40% more routes to the service we provide, and they are STILL saving considerable money. Between 2005 and 2013, it is estimated they have saved more than \$10,000,000 by privatizing their fleet, not including the additional \$6,300,000 in necessary vehicle replacement and facility upgrades they avoided. This conversion is considered a resounding success by the administration and the community as a whole.

Through it all, we responded at a moments notice to anyone who asked for our presence at meetings. We put in an extraordinary effort, but we knew that this was about more than just Manhasset. A lot of eyes were on this conversion, and our every action was under the microscope. Since the success of the conversion, a number of the surrounding districts, with district owned operations, have now been calling the Manhasset administration, asking for information on how to get the ball rolling on a conversion.