March 17, 2020

Dear County Superintendent:

As you know, COVID-19 virus is presenting us with new and unprecedented challenges at many levels. The New Jersey School Bus Contractors Association represents private school bus contractors in the State of NJ.

These are extraordinary times, and we urge you to take immediate action to ensure that your agency in charge of pupil transportation whether that be our State Department of Education or Transportation **requires** your school districts to **continue to pay on schedule** for pupil transportation funding for a 180-day school year in the event of any reduction of transportation days. These funds are already allocated in State *budgets and mechanisms* are currently in place to distribute these funds. Our concern lies within a desire to maintain a sound student transportation infrastructure through this health crisis, a system that *requires us to be prepared to re-engage immediately* after this unprecedented interruption to the school year. To successfully re-engage we need to be able to rely on our contracts to pay our bills, keep paying our people, and continue to maintain our fleets.

While the health and safety of our children remains our collective focus, we are vitally concerned in two areas that will undoubtedly affect the school children we transport. Our first concern is our employees; drivers, monitors, office staff and maintenance staff. Maintaining pupil transportation funding, and continuity in our payments, results in our workforce being provided a regular paycheck. Maintaining consistent pupil transportation funding through this crisis will enable our members to provide a regular paycheck throughout this crisis to each of their employees. In addition, a regular paycheck will ensure that our staff will not seek other employment and will instead be available when school resumes. As you may know, the industry already suffers from a shortage of school bus drivers, and if the funding stream to contractors does not continue during this closure, we risk losing school bus drivers to employment opportunities. The driver shortage will make the already challenging quest to find new drivers even more difficult. Keep in mind, furthering complicating this issue is the simple fact that it can take up to 12 weeks before a new driver can be adequately and appropriately trained, tested, and licensed.

In addition, like many businesses, school bus contractors have fixed costs and overhead – representing about 65 percent of operating expenses. For example, investment in equipment (i.e. – school buses) remains a major expense and is based on the assumption of approximately 180 days of transportation revenue over multiple years. A disruption in the student transportation revenue stream (i.e.- less than 180 contracted school days) will make it extremely difficult to meet financial obligations

We ask that a swift directive is provided to the school districts of New Jersey!

Most sincerely,

New Jersey School Bus Association Members