

March 19, 2020

Senator Mitch McConnell  
Minority Leader Chuck Schumer  
Speaker Nancy Pelosi  
Minority Leader Kevin McCarthy

As you address relief for economic losses as a result of the COVID-19 virus, we write to seek your support for provisions to address the devastating effects it has had on the nation's private school bus companies.

The National School Transportation Association (NSTA) is the leading resource for school bus transportation solutions since 1964 - for school bus contract-operators engaged primarily in transporting students to-and-from school and school-related activities. Members range from small family businesses to large corporations operating tens of thousands of buses across multiple states. Private school transportation contractors represent roughly **38 percent** of the 26 million students being transported daily - on an estimated 480,000 yellow school buses. Every day, the lives of children are entrusted to certified school transportation professionals who have receive special training and have the experience to ensure the safe transport of students.

Schools are closing across the country, and it is unlikely that districts will come close to achieving 180-day school year. Some states have already announced that schools will not reopen before summer, and many states have already indicated that this requirement will be waived in light of current events. Right now, school closings have had a devastating impact on school bus contractors and their employees.

**NSTA is requesting legislation that provides for EITHER:**

**1) A directive, edict, or declaration that as a condition of additional funding to states and/or school districts, they are required to maintain and continue to pay school transportation contracts as long as schools remain closed;**

**OR**

**2) Emergency relief funding in the amount of \$2.8 Billion to support school bus contractors, so that they can continue to pay the approximately 250,000 transportation staff and school bus drivers, maintain student welfare through extraordinary sanitizing measures and maintain the integrity of their fleets and companies**

**Taken together these actions are critical, so student transportation can seamlessly continue after school has reopened. It is not in the nation's interest to have nearly 40 percent of the nation's capabilities to provide school bus service disappear due to this crisis.**

**Option 1:**

Thus far, three States (California, Illinois and Minnesota) have taken action to enable school bus contractors to continue to be paid by school districts during school closures, so that employees are paid as a result of COVID-19. NSTA continues to work in all states, and the District of Columbia, to achieve this same result. However, working state-by-state is time-consuming, and given the urgency of the situation, we are seeking Congressional action to ensure contracts continue to be paid. If additional funding is going to be made available to schools in the legislation, continuing to pay contracted

providers of school transportation should be a condition of receiving funds. NSTA views this option as optimum as it does not require disbursement of any federal dollars.

**Option 2:**

If Option 1 is not possible, NSTA requests \$2.8 Billion in 100 percent, federal no match, economic injury grants to address economic losses incurred by school bus contractors as a result of school closings due to COVID-19. It is estimated that overall the private school bus industry is a \$9 billion industry. Companies are losing approximately \$85 million per week. If the school closings last 16 or more weeks into June, the economic losses to the industry could reach \$3 Billion.

Our members' first concern remains their employees, drivers, monitors, office staff, and maintenance staff. Maintaining pupil transportation revenue will result in our workforce being provided a regular paycheck. Maintaining consistent pupil transportation funding will enable our contractor members to continue to provide a regular paycheck to employees (maintenance, dispatch, mechanics, etc.) and drivers during this time of crisis, as most drivers live paycheck to paycheck and cannot afford to live or support their families on a reduced income derived through unemployment compensation.

Retention of drivers is also a concern. The industry already suffers from a shortage of bus drivers, and it is likely that drivers will seek employment elsewhere during this crisis if they cannot continue to be paid. If that is the case, it will lead to an insufficient number of drivers to provide transportation to students when school resumes. There is already a lack of applicants for driver positions, and depending upon the state, it can take up to 12 weeks for a new driver to be adequately and appropriately trained, tested, and licensed. If all new drivers need to be hired, trained, and licensed at the conclusion of this crisis, these factors could cause a disruption in transportation services.

School bus contractors have fixed costs and overhead – representing about 65 percent of operating expenses, including equipment financing for vehicles that cost \$90,000 or more. Private operators must maintain and pay for insurance and maintenance costs for their facility. In addition, contractors calculate their costs and structure contract pricing based on the assumption of approximately 180 days of transportation revenue over multiple years.

Finally, School bus contractors are also disinfecting school bus equipment, to ensure a safe and clean environment for the students they transport - resulting in increased expenses.

In closing, some students, not attending classes, are no longer ensured school breakfast and lunch. The continuity of these programs may depend upon school bus contractors' ability to provide distribution of meals to students and can be tangible benefit of providing stimulus funding.

We appreciate your consideration of this request, and look forward to working with you to provide continuity in student transportation.

Sincerely,



Curt Macysyn  
NSTA Executive Director