

# NSTA

## *Supporting Local Control*



National School Transportation Association

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The National School Transportation Association is the membership organization for school bus companies engaged primarily in transporting students to and from school and school-related activities under contract to public school districts. Our members offer a range of services to our school district partners, from full turn-key service to management operations and specialized transportation. NSTA members range from small family businesses serving one district to large corporations operating thousands of buses across many states, all committed to the safe, efficient and economical transportation of America's children.

**The National School Transportation Association** is committed to both the concept and the practice of local school board control. We believe that those who are accountable for the performance of public schools are best suited to determine the means to achieve that performance.

Like our school board partners, we have noted an increase in assaults on local control. NSTA does not have the expertise to comment on educational issues, but we can address those areas where outside influences would strip local boards of their discretion in matters involving transportation.

School bus service is not a commodity like heating oil or office supplies. Every day parents hand over their children to the school board for safe keeping, and for half the children in America, part of that day is spent on the school bus. Parents don't care whether one brand of paper is whiter than another; but they do care whether their children are picked up on time, whether they have a careful and friendly driver, whether their buses are safe. While economy is certainly important, every school board member knows that saving money by sacrificing service and student safety is false economy.

Laws that restrict the choices school boards can make in determining how to deliver school bus service are deleterious both to boards and to NSTA members because they force both parties into choices that may be inferior—or remove the element of choice entirely. That's when transportation becomes a commodity, when conscientious administrators and policy makers are not allowed to weigh the value of service, efficiency, safety, and trust—as well as economy—in making their decisions.

On the following pages are some of the threats we see to local control. NSTA welcomes the opportunity to work with NSBA and its state associations to educate lawmakers on the federal and state levels to the potential damage that may be done when local boards of education are denied the ability to exercise their best judgment for the good of their students and their communities.

## **SCHOOL BUS OCCUPANT PROTECTION**

The National Highway Traffic Safety Administration (NHTSA) is currently considering rulemaking to increase occupant protection in school buses. One of the considerations is whether to require all new buses to have lap/shoulder belts. While NHTSA is not proposing to mandate seat belts on large buses, several parties would have them do so.

NSTA's position is that the choice to purchase buses with lap/shoulder belts should be left to local districts, since they are in a better position than the federal government to determine how best to use their limited resources. If a district is able to purchase new buses with lap/shoulder belts without reducing the number of students it transports, we support that decision. At the same time, we recognize that some districts will feel their money is better spent by replacing older buses with new, cleaner-burning ones, or by adding more buses to the fleet in order to reduce walking distances or transport more students. And some districts are just trying to hold on to the service they have in the face of increased costs and reduced revenues. There is no way that a federal agency can balance the competing interests within individual districts, nor should they try to do so. Elected board members whose job is to protect the best interests of their students and communities are the proper ones to make those decisions.

Several states are also considering seat belt mandates. In 2007, 25 states had active legislation to require seat belts on school buses; at this early point in 2008, eight states have filed seat belt bills. In most cases, these are unfunded mandates which force local school boards into expenditures that may not be best for them—and which can have damaging consequences. States like Texas and Louisiana that protect school districts by delaying implementation of the requirement for lap/shoulder belts until the state can fully fund the cost are rare, but those are the states to emulate. A fully-funded mandate does not put school boards in the untenable position of sacrificing more urgent needs for expenditures not of their choosing.

NSTA is happy to work with school boards whose states or local districts are considering school bus seat belts. We can provide comprehensive research, up-to-date cost data, a thorough discussion of the benefits and risks, and model legislation.

## OUTSOURCING

As local school boards look for ways to increase efficiency, save money, and concentrate more of their resources on their educational mission, many of them turn to private companies to take over their non-educational support functions. Across the nation, about 30% of public school districts outsource one or more of their support services, most commonly food service, custodial service, and transportation.

There is a growing movement among public employee unions to restrict, through state legislation, the ability of school districts to privatize support functions. These efforts have been successful in two states, California and Illinois, and are under active consideration in several others. The effect of the legislation is to make consideration of outsourcing so cumbersome for school boards and so unattractive to contractors as to effectively end the practice.

While the individual bills in the various states differ somewhat, they all have the following common elements:

- Preservation of public employee jobs, wages and benefits
- Burdensome paperwork and disclosure requirements
- Unrealistic mandates for savings guarantees
- Intrusion of union control into the contracting process
- Inability of privatization to produce efficiencies or control labor costs
- Loss of local school board control and flexibility

In California, once the effects of the law became apparent, the educational community tried to convince legislators to repeal it, citing data that the law was costing California school boards \$250 million annually. Even with the strong support of Governor Schwarzenegger, five attempts over the intervening years to repeal SB 1419 have failed.

Illinois' governor signed a similar bill in August 2007. While it is too early to quantify the cost of that law, we expect similar results.

These laws, and efforts pending in other states including Oregon, Minnesota, and Michigan, strip local boards of education of their autonomy in directing the operation of their schools. NSTA believes that the decision to use

## **Outsourcing**, *continued*

district employees to provide support services or to employ professional private service providers is a choice that belongs to local school officials, not to the state or to employee unions. Local boards of education are in the best position to evaluate the needs of their districts and the relative cost, efficiency, service, and value of the options. Erecting barriers to one of the options eliminates choice and forces boards into accepting the status quo whether or not it is the right solution for them.

The California experience shows that once these laws are enacted, they cannot be changed, even with a change of state administration. The victory in Illinois has encouraged public employee unions, including NEA affiliates, to press forward in other states. Boards of education and their state associations must be prepared to defend their rights to local control—or risk losing them. NSTA and its members stand ready to work with our school board partners in any state to protect your interests and ours.



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## LOW BID MANDATES

Some states, while allowing school boards to choose professional service providers, nonetheless deny the board ultimate control by requiring that the board choose the lowest bidder. This reduces services to commodities, and forces the board to substitute cost for value. The implication behind such laws is that local boards of education are not cost-conscious, a statement that would be laughable if it did not have such serious consequences. Anyone who has sat through weeks of tedious line-item evaluation knows that boards are excruciatingly concerned with the bottom line. But conscientious school board members are also concerned with what they get for the bottom line, and in the case of school transportation it has a lot to do with intangibles that are not easily priced. The value of a company's reputation, its responsiveness to customer requests, the cleanliness of its buses, its contributions to the community, the friendliness of its drivers, its safety and service records—these are largely not quantifiable, and yet they are as important to school officials as the number and age of buses. When school boards are restricted from considering the value of the intangibles—the *service* in service providers—they lose control of their choices and may end up with a provider that does not meet their needs.

A similar problem occurs in states that require school boards to put service contracts out to bid at regular intervals. Again, the intent is apparently to ensure that the board is getting the lowest price possible, but such mandates ignore the value of a continuing partnership. Boards of education that enjoy superior service at a fair price have little to gain and much to lose by going out to bid. Not only do they risk trading a good partner for an unknown, but they also incur the unnecessary expense of the bid and evaluation process.

When given a choice, most school boards who have good relationships with their service providers choose to negotiate with those providers when it is time for new contracts. They know the value of the partnerships they have established, a value which is not reflected in bottom-line pricing. Unfortunately, in states with a mandatory bid process, boards have no choice; their control over service delivery has been preempted by the state.

NSTA will work with school boards to protect or restore their rights to choose service providers based on value rather than cost alone, and to maintain continuing partnerships with providers they trust.

## LOCAL BOARDS IN CONTROL

One of the most persistent and least true of the many myths about contracting of support services is that the school board loses control over the service when it outsources to a private company. The fact is that absent state interference, the board can have as much or as little control as it wants over contracted service; it's the board's choice. It all depends on the way the contract is structured.

Want to make sure drivers maintain current wages and benefits? Put it in the contract. Want to review all new hires? Put it in the contract. Want a zero-tolerance policy? Put it in the contract. Want the buses washed every day? Put it in the contract. Want to field all the parent calls? Put it in the contract.

In reality, most school officials don't want daily involvement in contracted transportation; one of the reasons they outsource is to shift the operational responsibilities to professionals so that they can concentrate on their primary mission. But those who want it can easily have it—all they have to do is put it in the contract so that both parties understand from the start what the board's expectations are.

It's important to note, however, that the most successful board-contractor relationships are built less on contract language than on mutual respect. The contractor respects the school board's responsibility for policy, standards, and oversight and the board respects the contractor's responsibility for operational performance. Each understands the importance of clear and regular communication, and each recognizes that they have a common goal: to deliver children to and from school safely and on time every day. How that is accomplished is very much a matter of local control, whether or not the service is contracted.

NSTA can provide sample contracts or help individual districts structure their contracts so that both parties benefit. We can also provide sample RFPs or help districts design bid notices and RFPS that will attract a maximum number of bidders.



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