



January 7, 2013

To Whom It May Concern:

As a member of the School Transportation Decentralization Study Committee, I would like to give my opinion on the Study Committee and its final report. Please see the following summary that was produced by my company, Student Transportation of America.

Sincerely,

Jason Moyer
Director of Business Development
Student Transportation of America



During the 2012 legislative session of the South Carolina General Assembly, 40 Members of the House of Representatives co-sponsored school bus decentralization legislation that was introduced as H4610. After extensive debate, the bill was amended to create a study committee that would research this important and timely issue and produce a report for the 2013 legislative session. A similar companion proviso was included in the annual state appropriations budget.

For the past few months it has been my distinct privilege to serve on the resultant committee and I am grateful that my company, Student Transportation of America, was asked to participate and contribute to this initiative.

It is important to note that Student Transportation of America does not own or operate school buses in the state of South Carolina.

Our involvement in this undertaking was at the request of state lawmakers and was facilitated by the fact that our President and CEO, Denis Gallagher, makes his home in Charleston. Legislation or debate that has occurred or will occur in the South Carolina General Assembly does not affect our company's operations in any manner. I believe this fact allows us to offer unbiased and impartial observations.

After multiple meetings and much testimony, the study committee is poised to submit a report that recommends deferring action on this critical issue for another year. These notes are included because of disagreement with that conclusion and a strong belief that further delay is counterproductive and not in the best interests of the state of South Carolina or its residents.

The state-controlled student transportation system in South Carolina is antiquated and costly. It is by far the oldest, most dilapidated bus fleet in the country. It places our students at risk daily by utilizing aged, high mileage, polluting buses that lack modern safety equipment. Yet the combined amount spent by the state and school districts on pupil transportation is substantially higher than the national average.

In fact, the study committee's primary success was determining the baseline costs and funding associated with operating the current system. The inarguable conclusion of the committee's research is that South Carolina is the only state with a state-owned bus fleet; every other state in the nation has found a more efficient way of providing student transportation.

The single greatest concern for opponents of the school bus decentralization concept is funding. Yet state and school district expenditures for student transportation is presently over \$278 million per year. That amount equates to approximately \$300 per bus route/per day for each of the 5,023 buses employed in daily route service. Private contractors across the country are providing complete transportation services, including capital for bus replacement, drivers, maintenance, fuel and insurance for prices well below South Carolina's present costs.

Though these critical cost saving facts have been presented to the study committee, they are not included in the summation report and deserve the attention of lawmakers and school district finance officers.

The other significant argument by opponents of changing the current system is that "school districts are already allowed to partner with private companies". It is true that four of the largest school districts in South Carolina became so frustrated with the current system that they sought public/private partnerships despite the existing regulatory and financial hurdles that currently exist. But testimony by district officials and the participating companies clearly indicate that dramatic change is necessary.

In these instances, the majority of school buses still come from the state inventory. The fleets are maintained by state employees in state-owned garages that are neither modern nor efficient. They receive fuel and insurance from the state, and collect state aid for driver wages and other expenses. While the private contractors may provide some supplemental equipment and services, the districts are not allowed to reap the rewards of a true public/private partnership. Changing the current system can easily rectify this difficult situation.

The bus decentralization study committee provided much needed clarity about a confusing and disjointed system. Its research points to one conclusion - that South Carolina should join every other state in the country and divest its decision making on bus transportation to local school districts. It should also provide an incentive for school districts to partner with private companies and benefit from the resultant cost savings and efficiencies.

Private taxpaying companies will invest much needed capital in the state to upgrade the bus fleet and modernize the system with computerized routing, GPS, and pollution control systems available on new buses. This potential private investment is "new money" from outside the system. Yet just as significant, the committee's research illustrates that even school districts that determine to run their own transportation system can operate more efficiently than is currently being done by the state.

Were South Carolina to set aside the state-controlled school bus operation in favor of a decentralized system, its taxpayers, students and parents would enjoy the substantial benefits of modern, safe, dependable new buses at costs below what is currently being spent. We encourage lawmakers to reform this antiquated system as soon as possible.