

South Carolina Association of School Business Officials

Position on School Bus Decentralization

The South Carolina Association of School Business Officials membership is comprised of individuals engaged in all aspects of school finance. We promote the highest standards of school business practices for our membership. As business officials we believe that the primary mission for the transportation of public school students should be based on the equitable utilization of State and local resources to ensure a safe, on-time, and efficient school bus transportation system. Our current South Carolina system provides equity of service to all districts because it is handled by the state. With decentralization equity of service is no longer achievable. With the state run system, all districts are created equal for standard school bus transportation service needs. Those that can, due to local revenue, do more, but those without that local revenue don't suffer a loss of standard service. Based on our school district financial experience, we believe decentralization has the potential to create a school bus transportation system that results in areas of the state being unable to provide acceptable service.

Transferring the responsibility of operating the school bus transportation system from the State to local school districts does not address the real bus transportation problem. The problem is created because of a lack of sufficient funding to honor the statutorily mandated 15 year replacement cycle for school buses. Until the issue of sufficient funding is addressed it is the position of the South Carolina Association of School Business Officials (SCASBO) that school bus transportation remains the responsibility of the State. Transferring this responsibility without addressing sufficient funding for such items as replacement buses, fuel, and additional personnel costs could have an unintended consequence of reducing funds currently going to the classroom. Since 1988 the level of funding that the State provides has gone from 100% to approximately 24% in FY 2011. School districts in the state will likely be forced to channel more money into school bus transportation to the detriment of classroom instruction.

In the committee's continued deliberations, there are numerous issues associated with decentralization that must be addressed before prudent decisions can be made concerning bus transportation decentralization. While not considered an exhaustive list, we are providing a list below.

- 1) **Economy of Scale:** The state's ability to purchase fuel and bus parts is greater than a local school district. A major increase in fuel prices currently does not affect the operation or bottom line of a school district's budget. History has shown that these spikes do occur. How will districts be afforded the purchasing power that the State currently possesses?

- 2) **School Bus Replacement:** Approximately sixty five percent of the current school bus fleet is older than the required 15 years of age. To comply with the current replacement requirements, if the State does not replace those older than 15 years this burden would have to be placed on the local taxpayer.

- 3) **Personnel:** Transfer of state bus operations would add staff to school districts with accompanying additional costs for benefits.

- 4) **Insurance:** Property/Fleet Insurance would add an additional cost to school districts.

- 5) **Bus Shops:** Current bus shops have environmental issues that school districts would not be willing to assume. Given that fact, districts would need to construct new bus shops to replace those with environmental issues.

- 6) **Cash Flow:** Currently many districts have to issue TANS or use fund balances to address cash flow issues from the State. The transfer of management and bus operations with their associated cost would be an additional burden on a district's cash flow.

At this time, it is the opinion of the South Carolina Association of School Business Officials (SCASBO) that the State of South Carolina is in the best position to provide bus transportation to students so that there is equity of service to all districts and so that an economy of scale pricing can continue to be utilized.