

From Buses to Books:
How Outsourcing Lets You Put Money Back in the Classroom

NYSSBA Conference
Thursday, October 15, 2009

Presenter: Robin Leeds, Industry Specialist, National School Transportation Association

Training Objectives: To provide board members with data and experience to evaluate the cost savings and other benefits of outsourced transportation; to help board members understand the range of options available in outsourcing transportation; and to give board members the tools they need to alleviate community concerns and enable a smooth transition to outsourcing.

Description: Through surveys and focus groups conducted from April 2008 to April 2009, NSTA learned what most concerns school board members and administrators about outsourcing transportation. This workshop will address those concerns, focusing primarily on the financial benefits and political obstacles of outsourcing, and will include case studies of recent conversions.

Outline

Background

- Four national conferences
 - NSBA, April 2008
 - ASBO, November 2008
 - AASA, February 2009
 - NSBA, April 2009
- Three sets of focus groups
 - ASBO, AASA, and NSBA
 - Representatives of both contracted and in-house districts
 - Interviews conducted by professional marketing group

Research Objectives

- To assess knowledge of and attitudes towards outsourcing
- To identify catalysts and barriers to conversions
- To understand school district needs

Distillates

- The #1 problem in the overwhelming majority of districts is money

- Board members are sensitive to the political implications of outsourcing
- Most board members and many administrators are not aware of the variety of contracting options
- Many concerns about outsourcing stem from lack of information

Voiced Concerns – and Facts

- We're too small
 - 26% of districts with 500-1000 students outsource transportation
 - Consolidating with neighbor districts increases attraction
- No vendors in the area
 - Contractors operate 58% of NY school buses
 - 17 of the top 50 school bus companies are in NY
 - More than 400 contractors in the state
- We'll lose control
 - Contract specifications govern control
 - Oversight vs operation
- We'll be trapped
 - Exit strategies allow return to in-house operation
 - Districts can opt to retain fleet
 - Districts can change contractors

Contracting Models

- Full service
- District retains fleet
- District retains drivers
- District retains part of service
- Management only
- Graduated approach
- Coordinated service

Politics and Community Sentiment

- Drivers are the key
 - Driver protection plan
 - Internal communication
- Transition plans and transparency
- Stakeholder communications
 - Separating fact from myth
 - Providing assurances

Bottom line

- 90% of conversions result in quantifiable savings
 - Ten to thirty percent or more
- Other benefits
 - Newer buses
 - Better training, maintenance

- Routing expertise
- Predictable expense, cash flow, capital
- Fewer headaches
- Protecting against price escalation
 - Contract length

Case Studies

For Member Use Only