

**QUESTIONS DEVELOPED AND COMPILED BY**  
**SCHOOL TRANSPORTATION DECENTRALIZATION STUDY COMMITTEE -**  
**STUDENT TRANSPORTATION OF AMERICA (JASON MOYER)**  
**12/04/2012**

**Question:** Can contractors reduce the age of the fleet in SC within current cost per bus per day being spent by SC today?

*Definitely, yes. It would be far more efficient, safer and less costly to operate and maintain a new or late model fleet, than to continue to operate the current SC bus fleet. Historically in SC, the fixed cost of bureaucratic State Transportation operations consumes available funds, and precludes the proper replacement of vehicles. It's a vicious cycle, since the continued deterioration of the over-aged bus fleet causes even more money to be spent on repairs each year that fleet replacement is deferred. By contrast, contractors have available capital to be employed for the benefit of the transportation system.*

**Question:** Is insurance included within a contract with the contractor?

*Yes. Contractors carry high liability insurance, obtained at attractive, competitive rates due to low accident rates. The school districts employing contractor services would be covered under the contractors' insurance policies, and indemnified against harm.*

**Question:** What type of insurance does the contractor carry and how much?

*Contractors carry commercial liability insurance with high limits, generally exceeding \$10 million coverage for any one accident or event. Additional coverage above that amount is far less expensive, and could readily be obtained to satisfy any school district need for additional coverage.*

**Question:** Is maintenance included within a contract with the contractor?

*Yes. Most contracts are full-service, with the contractor providing the buses, drivers, bus terminal property, fuel, insurance, maintenance and all other operating expenses.*

**Question:** How is discipline handled on the bus by contractors?

*The contractor complies with and enforces the policies of each particular school district customer. The district would specify in the contract document the contractor's responsibility for discipline, and the exact procedures to be followed.*

**Question:** In what instance are aides assigned to a bus?

*The decision to assign an aide usually is made by the school district, and the contractor provides a qualified, trained aide when the district so directs.*

**Question:** Bus Drivers –

- Cost to provide the driver
- Information about the type of compensation package offered to include retirement, insurance, etc., as many drivers are currently district employees and receive state benefits

*Driver and aide compensation packages vary widely by geographic location. We offer the wages and benefits prevalent in the local area for the type of worker we are seeking. Good drivers and aides are essential to any student transportation company, and we are committed to setting compensation such that we always have a sufficient number of qualified, skilled operators. Private sector workers would not participate in State or public pension programs. In some cases contractors will work with the district to allow the most senior employees to stay on the district payroll so they can continue to participate in the state pension.*

**Question:** Buses-

- Cost to lease
- What lease may cover (fuel, maintenance, etc.)
- What buses may be used for by both the district and the contract company outside of delivery of students to and from school. May the company contract their buses out to other groups when not in use by the district?

*Bus leases vary depending on what the customer needs, and each lease is customized for the school district. There is no set format or price for bus leases, and the leases may or may not include fuel, maintenance, and other services at the option of the customer. Ordinarily, there is no restriction on the use of the leased buses. Under a typical lease, the buses are dedicated to the sole use of the school district, for any purpose or route the district directs.*

**Question:** Maintenance

- May maintenance be contracted to include buses owned by district or state?

*Maintenance can be contracted for district and state buses. This currently happens in Charleston, SC. If a school district decided to partner with a private company to operate their transportation department the maintenance of the vehicles would be included in the contract.*

**Question:** Safety

- Accident reports
- Pupil incidents on bus (are there aides?)

*In the event of an accident, the contractor will follow the procedure agreed upon with the school district in advance. All accident reporting will be timely and complete. The decision to assign an aide usually is made by the school district, and the contractor provides a qualified, trained aide when the district so directs.*

*School bus service is the safest mode of transportation in the world, with an accident rate of 0.01 per 100 million miles traveled, according to the National Safety Council. School bus contractors purchase liability insurance with very high limits in the public market, and seek competitive advantage through low insurance rates, which reflect a low accident rate. Consequently,*

*successful school bus companies tend to have accident and break down rates which are better than the national average. By contrast, the State of SC is averaging 12,000 vehicle break downs per year, and having dozens of on-board fires caused by deteriorating old buses operated well beyond the limits of their service life.*

**Question:** Efficiency

- Are students delivered on time?

*Yes. Contractors have to answer to their school district customers, and must maintain top level performance to keep their customers happy. Many national contracts retain 95% or more of their contracts from year-to-year, reflecting very high customer satisfaction and excellent performance by the contractors.*

**Question:** Insurance, bus registration, taxes and any other pertinent information.

*See information set forth above.*