

Study Finds Contracting Out School Bus Transportation Is Too Costly in Pennsylvania

Written by Sylvia Arroyo

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School districts in Pennsylvania that contract with private bus operators do so in order to save money, but they actually spend more taxpayer dollars compared to districts that manage their own fleets, according to a new report.

[The new study](#) was released today by the Keystone Research Center, a nonprofit, nonpartisan research organization with the goal of promoting a more prosperous and equitable Pennsylvania economy. It found that it costs about \$223,900 more in taxpayer dollars when districts in the state contract with private operators rather than keeping transportation operations in-house. Moreover, if every school district in Pennsylvania kept busing in-house, taxpayers would save an estimated \$78 million, the report claims.

Nationwide, the report said, there are 4,000 private bus-operating companies that transport roughly a third of the 25 million students who ride the bus to and from school each day. In Pennsylvania, 72 percent of school bus transportation was contracted out by school districts in 2008, up from 62 percent in 1986.

School districts gain a short-term infusion of cash when they sell their bus fleets and contract out school bus transportation. They also receive higher reimbursements from the state, which the report said distorts district decision-making and contributes to the higher overall price tag for taxpayers. Because the state reimburses a district with more money when it contracts out, the state essentially is picking up the cost increase.

Dr. Stephen Herzenberg, an economist and co-author of the study, said the transfer of such costs doesn't solve anything.

He added: "Pennsylvania should make every tax dollar count instead of giving school districts incentives to adopt inefficient transportation systems. We can change course now and use the savings to improve the quality of our children's education."