



Jason Osborn
08-11-3&4

Jason Osborn, Director of Transportation

December 11, 2008

RE: Agenda Item 08-11-3 School Bus Regulations

To Air Resources Board Chair Mary D. Nicholas:

The Manteca Unified School District serves approximately 23,000 students in South San Joaquin County. Our students include (10.4%) African American; (42.4%) Hispanic; (12.8%) Asian; (33.0%) Anglo American; and (1.3%) Native American. Almost 17.8% are classified as English Learners. Additionally, 50% of our students qualify for free and reduced meals, the poverty indicator established by the federal government. The real poverty measure is actually higher because many middle and high school students are ashamed to admit that they qualify for the federal program.

Our annual per student funding is approximately \$4,900, and with additional categorical funds provides our District an operational budget of about \$170 million dollars. Approximately 83% of these funds are used for employee salaries and benefits. The balance is used to support the educational program and the infrastructure needs of the District.

Our state approved school transportation budget for regular transportation is approximately \$5.2 million. This funding does not include sporting events and field trips. It only includes the approved cost of transporting children to and from school. However, the District only receives \$1.5 million or only 29% from the state. Every year, we must take \$3.7 million from the classroom to support school transportation. We have not had the funds to upgrade our school bus fleet. The result is a school transportation fleet that is old. The Department of Education has estimated that the maximum age for school buses is fifteen years. Unfortunately, over 52% exceed that maximum age. We do support the state's attempts to provide additional funds for school bus replacement. We have seen some progress, but not enough.

Almost all school districts are facing a horrendous budget crisis. Even though this year has seen huge increase in gasoline prices, our school transportation program had to be reduced because the state budget that was passed in September gave us the same amount of funding as last year, 2007-08.

Now, both the Governor's special session proposal and the legislature's alternative is going to make mid-year reductions almost 5% or over \$320 per child or almost \$6.9 million. These reductions are based on proposed revenue increases. If those increases do not occur, the reductions will double. Your regulations do not take effect until 2010-11; however, the Legislative Analyst in his most recent report has stated that it will be until 2013-14 before the state general fund revenues exceeds the levels in 2007-08. Education is not only facing incredible huge reductions this year that

will take us years to recover, but we will continue to face extremely difficult times for the next five years. That is the major problem that we have with your proposed regulations.

Your proposed regulations will cost our public schools \$500 million in the next ten years for the trap requirement and for the school bus requirement. \$500 million is the amount that the state or we will have to pay for the mandated traps and for the mandated school buses. Your staff has made cost assumptions, many of which we do not agree with, based on the current value of the school buses. The most important part is that no matter what assumption one uses, our school districts, or the state will have to come up with \$500 million to pay for the cost of the traps and cost of the new school buses. We do not see where these funds are going to come from.

We firmly believe that the requirements your regulations will impose on our public schools are a reimbursable mandate as defined by Article XII B of the State Constitution and under Government code section 17514. That means we will be able to file claims to the State Commission on Mandates and we will eventually be reimbursed by the state. **We do not think it is appropriate at this time to worsen the deteriorating fiscal condition of the state by another \$500 million.**

Consequently, we would urge the ARB Board to make all their requirements on school buses contingent on available funding. We would work hard with ARB to obtain that funding.

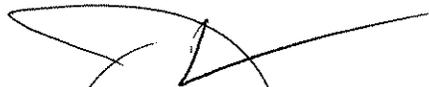
Our second and final issue with the ARB regulations is a long lasting issue. ARB's priority has always been on the requiring diesel retrofits or traps as oppose to the replacement of old pollution school buses. In this regulation, ARB is proposing that all school buses manufactured between 1987 and 2006 be required to have diesel retrofits or traps installed. School buses manufactured prior to 1987 are required to be replaced by 2018. **We believe that ARB's priorities are backward. Pre-1987 school buses contain no particulate controls. The replacement of these school buses should be the state's highest priority.** Why do we want to have over 120,000 children ride in these school buses for the next ten years?

In regards, to diesel retrofits or traps, we are not opposed to the requirement. However, **the state should set up several long-term pilot studies to determine the true cost and the true impact of the traps.** Our concern is that the state is being sold a bill of untested goods. The staff report state that the cost of the traps is the only cost. That is totally wrong. We know the following cost must be included: installation, shipping, cleaning machines, electrical infrastructure, spare cores, taxes, electricity cost, cleaning cost, removing and replacing cost, waste disposal cost, possible engine repair, cost of the bus being out of service, and a possible fuel increase. Many of these costs are not one time costs, but will be ongoing operational costs.

We find it particularly distressing that ARB will be imposing traps on very old school buses that were built before 1993. The cost of the traps may exceed the cost of the old school buses. These traps are the so-called active traps that are much more expensive to buy and to maintain. We are extremely excited about some of the new school bus technology that is currently available or will be available in the very near future. For example, the new hybrid electric school buses may be cost competitive with the CNG school buses. A zero emission school bus will be available in the very

near future. This is the direction that California should be moving. Requiring questionable traps on old pre-1993 school buses is the wrong approach. We should be replacing these school buses with the newer exciting technology. **ARB should be helping us do it right, we cannot afford to do it wrong.** Thank you.

Sincerely yours,



Jason Osborn
Director of Transportation