



VIA EMAIL

September 23, 2024

Senator Arthur C. Ellis
Chair, Charles County Senate Delegation
11 Bladen St.
Annapolis, Maryland 21401

Delegate Debra M. Davis, Esq.
Chair, Charles County Delegation
6 Bladen Street
Annapolis, Maryland 21401

Delegate, Edith J. Patterson, Ed.D.
Chair, Southern Maryland Delegation
6 Bladen Street
Annapolis, Maryland 21401

Reuben B. Collins, II, Esq.
President
Board of County Commissioners
200 Baltimore Street
La Plata, Maryland 20646

Re: Charles County Bus Contractors; Displacement Legislation; Response to Board of Education September 17, 2024 Correspondence

Dear Senator Ellis, Delegate Davis, Delegate Patterson and Commissioner Collins:

The Charles County School Bus Contractors Association (“CCSBCA”) appreciates the opportunity to continue the important dialogue regarding our proposed “Displacement” legislation. We have had the opportunity to review the September 17, 2024 correspondence from the Charles County Board of Education and Superintendent of Schools. CCSBCA would like to address several points raised by the Board and Superintendent, particularly concerning contract length and the proposed “Displacement” legislation.

First, there appears to be a misunderstanding about the proposed legislation. The legislation does not seek to determine the length of the Board's Contract with the School Bus Contractors. Instead the Legislation recognizes the Boards' ability to bring Student Transportation Services in-house, and merely seeks to ensure a private contractor who is "displaced" by such a decision has sufficient advance notice to allow the affected Contractor and the Contractor's employees to financially prepare for such occurrence. This is no different that the County sponsored and approved legislation passed several years ago for the County's Garbage Disposal Haulers.

CCSBCA made it clear at the recent hearing that this was not about the Board of Education but about fairness, equity and the ability to mitigate financial risk. Nonetheless, it is important to correct misperceptions created by the Board's September 17, 2024 correspondence.

First, the Board's statement that there is no basis for a 10-year contract is inaccurate. Neighboring counties, such as Calvert County, have School Bus contracts extending beyond 10 years, with some jurisdictions providing contracts for up to 12 years. *(Such contracts are consistent with §7-804 of the Education Article which states that the life of a bus is 12 years but may be extended to 15 years. 12 years is the average life of the Bus in Charles County. A contractor in Charles County may not retire a bus from service before 12 years without CCPS' authorization.)* It is important to note that longer contracts benefit taxpayers by preventing CCPS from purchasing additional buses that go underutilized, thereby reducing unnecessary costs.

Second, the September 17, 2024 correspondence lends the impression that the Board offered a substantial number of contractors a six-year contract. The offer of a six-year contract, which was presented by CCPS, was extended to only 4 of the 24 bus contractors. Of those four, one contractor had only two buses, and the offer was contingent on a perfect performance score (meaning there is no room for any error). The September 17, 2024 correspondence states:

Under the terms of the contracts, the contractors purchase buses for their needs, and CCPS reimburses those costs in full, plus interest, over a six-year period.

The correspondence does not state that existing Contract is for three (3) years and does not guarantee the Contractor an additional 3 years. *(For the past 90 years, CCPS would only agree to 1 year contracts.)* Nor does the Contract guarantee the Contractor reimbursement for such expense if the Contract is not renewed.

It is important to reiterate that the Displacement legislation does not request a 10-year contract. The Legislation specifically addresses displacement and ensuring fair notification—at least 10 years—before termination or contract changes that result in the displacement of a Contractor. This gives Contractors time to plan for the future and maintain security for their employees. The discussion during the hearing between the State Legislators and Charles County Board of Commissioners focused heavily on contract length and may have obfuscated the true intent of the

legislation. Again, this is not about mandating the duration of contracts but about creating a secure operating environment for Contractors, their employees, their families and the school system.

CCPS' concern that the proposed legislation would "tie the hands" of the school system is unfounded. The current contracts already have performance-based clauses that allow the school system to address underperformance. Similar to the Garbage Disposal Hauler legislation, the proposed legislation would exempt "for cause" contract termination. The proposed legislation aims to establish a fair and balanced partnership between the school system and local bus contractors, benefiting both sides.

Despite numerous CCPS studies confirming the fiscal, economic and efficiency benefits of the private Contractor system, the Contractors have observed the significant increase in the number of school bus purchases by the Board. This observation alone has raised concern among the Contractors and their employees. If the Board has a long term plan to bring Student Transportation Services in-house, that would certainly be the Board's right. The Displacement legislation simply require fair and sufficient notice to the Contractors and to the public. Such notice to small local businesses that have diligently served the County is a matter of fairness and equity.

The proposed legislation is crucial for ensuring stability and long-term planning not only for the School Bus Contractors but also for the County's school system, providing mutual benefits and a stronger foundation for collaboration. The Charles County School Bus Contractors remain committed to working together, and we believe this legislation would enhance that partnership by bringing fairness, transparency, and security to all parties involved.

Thank you for your time and consideration. We look forward to your support of the proposed "Displacement" legislation that seeks a resolution that serves our youth and preserves many of the County's local minority businesses. We are available to discuss any questions or concerns you may have.

Sincerely,

Mark Koch, President

Mark_kochtrucking@comcast.net