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Testimony in OPPOSITION to
Senate Bill 574
Charles County – Student Bus Transportation Providers – Provider Displacement

On behalf of the Board of Education of Charles County, I urge this Committee to issue an unfavorable report on Senate Bill 574. Simply put, this bill represents bad public policy. The bill would mandate the privatization of public services and promote the interest of private companies without concern for fiscal responsibility and to the detriment of public employees. Nowhere are the best interests of the public addressed in the bill. Rather, this is a bill solely intended to promote the interests of private bus contractors.

Charles County Public Schools currently balances the use of private providers and system-operated buses to meet the transportation needs of the students in the county. Currently, approximately 80% of the services are provided through private contractors. As transportation costs continue to rise from time to time, Charles County Public Schools may determine that the balance may need to shift to promote fiscal responsibility. Every dollar spent on rising transportation costs comes directly out of other necessary programs within the school system budget.

A 2015 independent study of the school system's transportation program concluded at the time that the school system could save up to 3.3% of its costs if services were to be brought in-house. At the time of the study, all services were provided by private contractors. Since then, the school system has purchased some buses and has operated in a more fiscally balanced manner.

Senate Bill 574 would lock in the current structure for the next ten years, regardless of rising costs and regardless of other factors that are simply unforeseeable. The bill fails to account for cost savings that might accrue from a more balanced approach to transportation services. Additionally, the bill would establish a monopoly for those private companies that would no longer have to compete with the school system's own potentially more cost-effective program. Negotiations of future contracts would become completely one-sided, dominated by private contractors who would use Senate Bill 574 to guarantee additional profits.

Senate Bill 574 goes so far as to mandate renewal of contracts that expire unless cause can be shown for non-renewal. It is simply against public policy to require cause to be shown before ending a contract that expires under its own conditions. By doing so, Senate Bill 574 in a sense mandates contracts that can never expire without cause, and it guarantees contracts with specific private companies regardless of other, better options that may be available.

On top of the practical costs of implementing this mandate, the bill represents a terrible, precedent-setting approach to the provision of public services in the state. Maryland has always been and continues to be a leader in the protections of public employment. Obviously, there are circumstances where the private sector plays a supporting role in the provision of public services. But balance is the key, and removing the ability of a publicly-elected board of education in making fiscally responsible decisions is not appropriate.

I urge this Committee to issue an unfavorable report on Senate Bill 574. If you have any questions, please feel free to contact me.

Sincerely,

Maria V. Navarro, Ed.D.
Superintendent of Schools