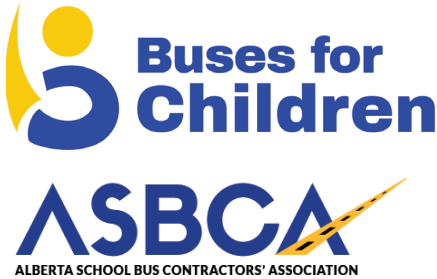




**THEIR
STORIES.**



ASBCA
ALBERTA SCHOOL BUS CONTRACTORS' ASSOCIATION
asbca.com



Hon. Adriana LaGrange
Minister of Education
228 Legislature Building
10800 – 97 Avenue
Edmonton, Alberta T5K 2B6

Dear Minister LaGrange,

Thank you for your response to our letter on February 24, 2021. We appreciate that school boards have received additional funding over the last and next year and that a task force has been formed. However, there are immediate urgent issues that must be addressed for school bus contractors to continue with their mandate of carrying students to their schools. Keeping buses on the road for children should be our main priority across this Province. Without the continued flow of adequate funding, carriers will have no choice but to lay off drivers, maintenance staff and administrative staff and in turn shut their operations down. A number of school bus contractors will not be able to operate this fall and are giving up their contracts for financial reasons. There will be a negative impact on students getting to their schools this fall across the Province. We understand that these are unprecedented times but it is leaving many contractors with no choice but to make the difficult decision to shut their doors for good. Minister LaGrange, we are hoping the ministry would be willing to work together in order to bridge the gap and secure a successful resolution that can deliver short term aid and long term sustainability at some point in the future. All of our contractors love driving children to school, love their job and their contribution to their respective communities but they cannot and will not run at financial loss.

Insurance costs are the immediate issue and the main reason that many contractors will give up operating. The cost of the insurance jumped from \$1300/ bus to \$4300/ bus and most contractors do not have the funds to cover this increase. The reality is that an increase of this magnitude is affecting all contractors in the Province, especially the small to medium size operators. They are in dire need of a solution to this issue, now! We need Alberta Education to direct school boards to do 1 of 2 things now:

1. Pay for the additional cost to the insurance or
2. Increase school bus contractor rates enough to offset that insurance increase.

This is a small ask compared to the increases that small bus contractors have seen over the last 10 years that were not funded by school boards. Prior to 2020, Student Transportation had not seen an increase from Alberta Education in a long time and in fact, the fuel escalation grant was removed and yet many operating costs took major hikes that operators are having to deal with such as training costs in MELT etc. The school bus industry is drowning in Alberta and our kids soon will have no means of getting to their basic human right of access to an education. Minister LaGrange, It is important to note, that we, as contractors, only exist as an extension of the public funding and if it continues on this path we will not be able to sustain our operations for long. All of us value the partnerships with our customers, families we serve, and we take great pride in the responsibility with which you have entrusted us. We look forward to strengthening this partnership and continuing to provide your community with the safest and most reliable student transportation for years to come.

MARK CRITCH

President
markc@sparksman.ca
Sparksman Transportation

WHY WE ARE IN CRISIS MODE:

School bus contractors have incurred significant cost increases over the past few years, with little to no revenue increase to offset these costs to ensure we can continue providing this essential service. Below are some examples of the larger increases we have been faced with:

01 Fees for driver medicals, registration, and testing have all increased.

02 The cost of repairs is up 15% from last year.

03 School divisions do not cover all pandemic-related costs. Drivers required to be in isolation due to close contact with a COVID-19 positive student must have their immediate wages covered. Otherwise, it is unlikely that they will return to the job.

04 Due to the global pandemic, there are no field or charter trips as an additional revenue source, which previously helped offset indirect costs.

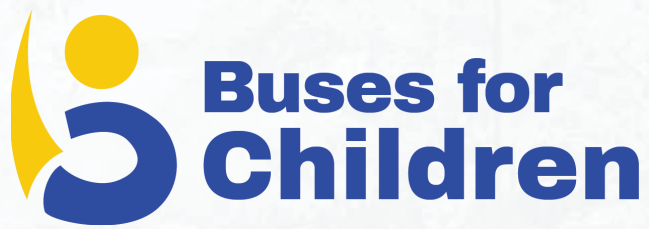
05 National Safety Code audit costs

06 A 358% increase in insurance rates for small contracted bus operators was implemented in November 2020. The increase in rates is out of the bus contractor's control, and it occurred mid-year in the contracts. No other insurance providers are willing to insure operators with less than 25 bus routes, leaving small contractors with no option. In addition to this, large contractors have had insurance increases of over 200%. Under the new insurance agreement, contractors will no longer be permitted to drive for various school divisions as of November 1, 2021 and all buses must be equipped with camera systems and GPS systems that are unfunded.

Approximately 10 years ago, Alberta Education removed all fuel funding from the government grant and it was at the expense of all school bus contractors in the Province. Since that time there has been a 3% increase to rural school bus routes. In 2019 the government grant funding was frozen with an additional increase of 5% added for 2020-2020. For the 2021-2022 school year the funding is the same as in 2020-2021 with no increase for growth. The Alberta School Bus Contractors are at the mercy of school divisions to recognize the increasing cost of operations and provide that funding. Most divisions have not forwarded the 5% increase to the bus contractors, citing the need to keep the money for anticipated growth.

Alberta Education created a Student Transportation Task Force (STTF) in May of 2020 to look at the transportation grant. They looked at how the grant is done and the amount of funding provided to determine whether or not it was adequate. The task force met with many school divisions and listened to the issues.

The STTF completed their mandate as of December 2020 and the document was released May 17, 2021. The STTF has set up a team of auditors to audit 15 different school divisions between now and September to see if those school divisions are operating efficiently. Many school division employees are on vacation during this time period and once August 15th hits, are too busy to be able to be audited. Anything that has to do with funding will be referred to that group however the process of their audit teams and then subsequent report and creating a different method of funding we know is a long process. We have bus contractors who need financial help now, not a year from now.



THE AFFECTED

THEIR STORIES

THEIR STORY

Hugh and Julie Gamblin

Contractors - St. Paul Education Division

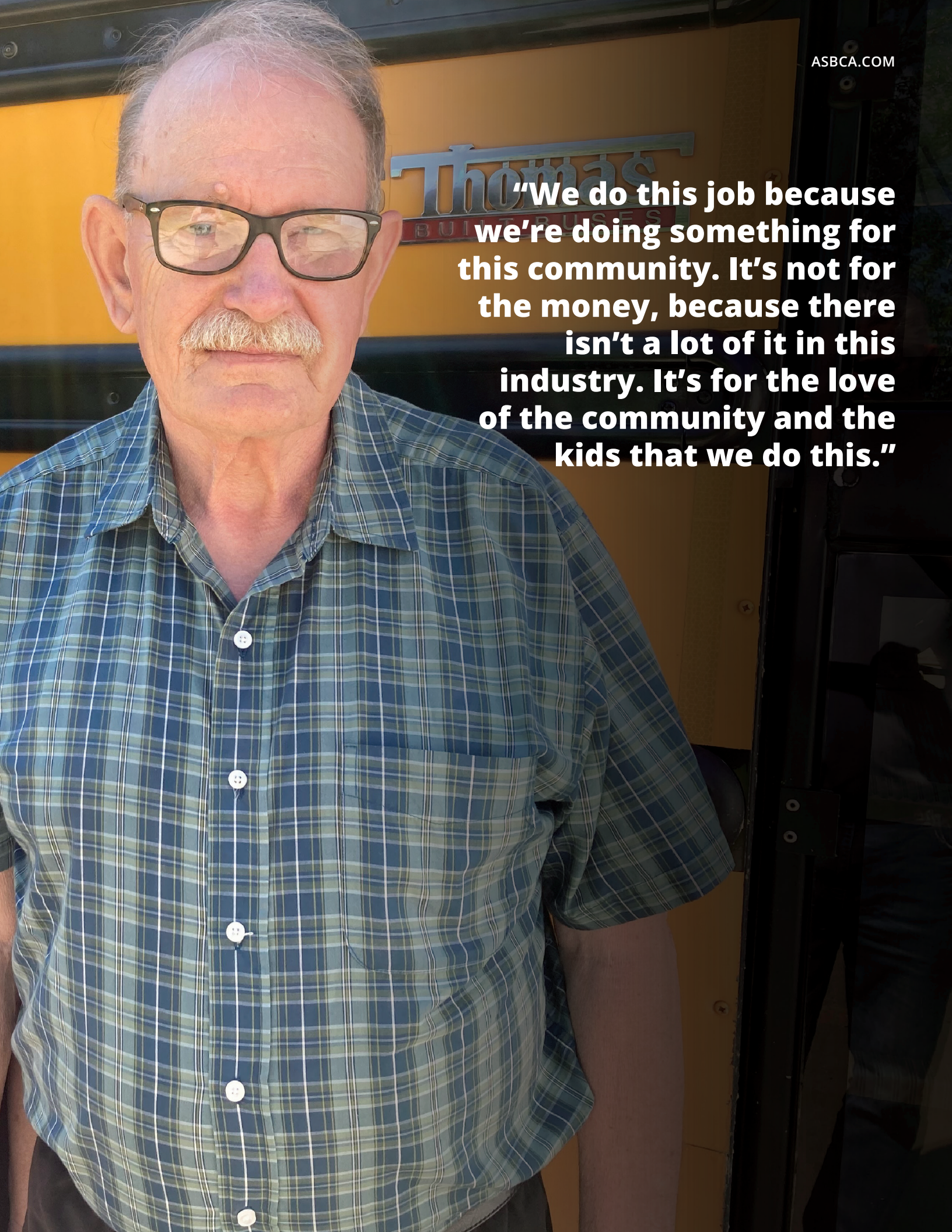
It has been 54 years for Hugh and 47 years for Julie in this industry. Hugh began as a school bus mechanic and soon transferred over to driving school busses. When Hugh married Julie, she joined the team as well and the Gamblins have happily owned and operated their small business ever since. Over the years they've proved themselves a crucial and important part of the community. Having been to many of their students' graduations and even weddings, the Gamblins say they love their work for the opportunity it has given them to connect with and protect the most precious cargo in the world. But circumstances have been changing over the years, leaving the Gamblins frustrated.

Over the years, the costs of operating school busses have only gone up, while contractor rates and funding has stayed the same. One of the biggest issues, say the Gamblins, is the MELT program. The \$5000 fee is a hefty cost to front for training new drivers. As smaller operators, those fees fall on their shoulders with minimal support in funding. Prospective drivers must first pass the MELT program before they can get a feel for the job and the industry, the program is excellent for training drivers on road safety, but lacking in giving them experience working with students, parents, and others in this industry. In some cases, small business owners have to pay the training fee multiple times before finding a diligent crew. This often leaves small owners working with a shortage of operators. The loss of the fuel escalation clause, combined with the rising carbon tax is just another hit the Gamblins are taking unfunded. All of this does not include the 300% spike in insurance this year that they have been taken by surprise with.

These changes have directly impacted their livelihood, and the Gamblins don't see themselves profiting in this industry any longer. Already they've seen many of their long-time colleagues leave the industry.

The Gamblins want the Minister of Education to know that funding is needed urgently and as soon as possible. They want to emphasize that funding should be set aside for transportation and handed in a more direct fashion, since funding seems to have to pass through many hands and authorities before it can reach them, and too often nothing does.





"We do this job because we're doing something for this community. It's not for the money, because there isn't a lot of it in this industry. It's for the love of the community and the kids that we do this."

THEIR STORY

Alex Kyle

Contractor - Amethyst Transport

Alex has been in the transport industry for 7 years. He began as an apprentice mechanic in high school and transferred to bus driving in his senior year. He drove his own classmates and the kids in his neighbourhood to school and built a strong relationship with his passengers. His trustworthiness and reliability made him an important part of the community. After a few years of driving, he became an entrepreneur as an owner/operator.


At the time, the industry was booming, and Alex would “laugh all the way to the bank.” But things have not been the same lately. Last summer it really started going downhill, mostly because of insurance. His policy alone went up 400%. Pay has also decreased because of the COVID-19 pandemic, making it even harder to pay the bills.

A fellow contractor with whom Alex worked closely over the past couple of years is retiring because even though her revenue is stable, her cost of doing business has increased dramatically. She is losing money this year and believes the industry is becoming too political. She feels that she has been forced to retire.

Alex has built up a strong sense of community with the kids he transports and others in his community. A parent of one of his young passengers is a mechanic for his buses, his neighbour down the road used to work at one of the schools he drives for, and he has even gone out to the neighbourhood pub to catch up with a grandma of one of the kids. Genuine connections are relatively rare these days, so being part of such a tight-knit community is very important to Alex. He has found a place in a community that knows and trusts him, and no one wants to see that change.

Alex has been tirelessly contacting the government to help initiate change. He once received an email reply from the Minister of Finance, who replied disappointingly that there was nothing the minister could do on his end.

Alex wants the Minister of Education to, “reduce the red tape and open the doors for the smaller owner and operators to operate.” The wheels need to start turning now, or Alex will be forced into a tough decision in 2 years when his current contract expires. If he is forced to pull the plug because his bank account has run dry, it will negatively affect not only him, but the kids, parents, and grandparents in his community.

A man with short brown hair and a light beard is looking directly at the camera. He has green-tinted sunglasses perched on his head. He is wearing a dark blue t-shirt with the word 'ALASKA' in large white letters. The background is a bright, sunny outdoor setting with green grass, trees, and a blue sky with some clouds.

“Would you want to spend \$5,000 to get trained to drive a bus in order to make \$75-\$100 a day? Most people would say no.”

“That’s the thing the government doesn’t understand about the little contractors; a lot of us are literally running month to month.”

THEIR STORY

James Birkenhagen

Contractors - Grande Yellowhead Schools

James has been driving buses for 37 years, and as a contractor for 35. He chose to start this profession at age 19, because he knew it meant he could be home every evening to spend time with his family. He loves the business, the kids, and the community.

In recent years, there has been more and more paperwork, and office work and costs have increased. The regulatory costs, extra staffing, and more than doubling of insurance costs are adding up. In James's jurisdiction, they have had no help with the extra costs. With the extra licences, such as the MELT program, and the additional course load and costs, drivers have not been able to keep up in the industry because they depend on grants from the government. James believes they need the jurisdictions to be paying the contractors. Income has not kept pace with increasing expenses.

It has been a continuous struggle since he started in this industry, and it is getting more and more difficult. The administration staff is not as "community minded" as they used to be, and it has become increasingly complicated to communicate with those in charge of big decisions regarding school transportation.

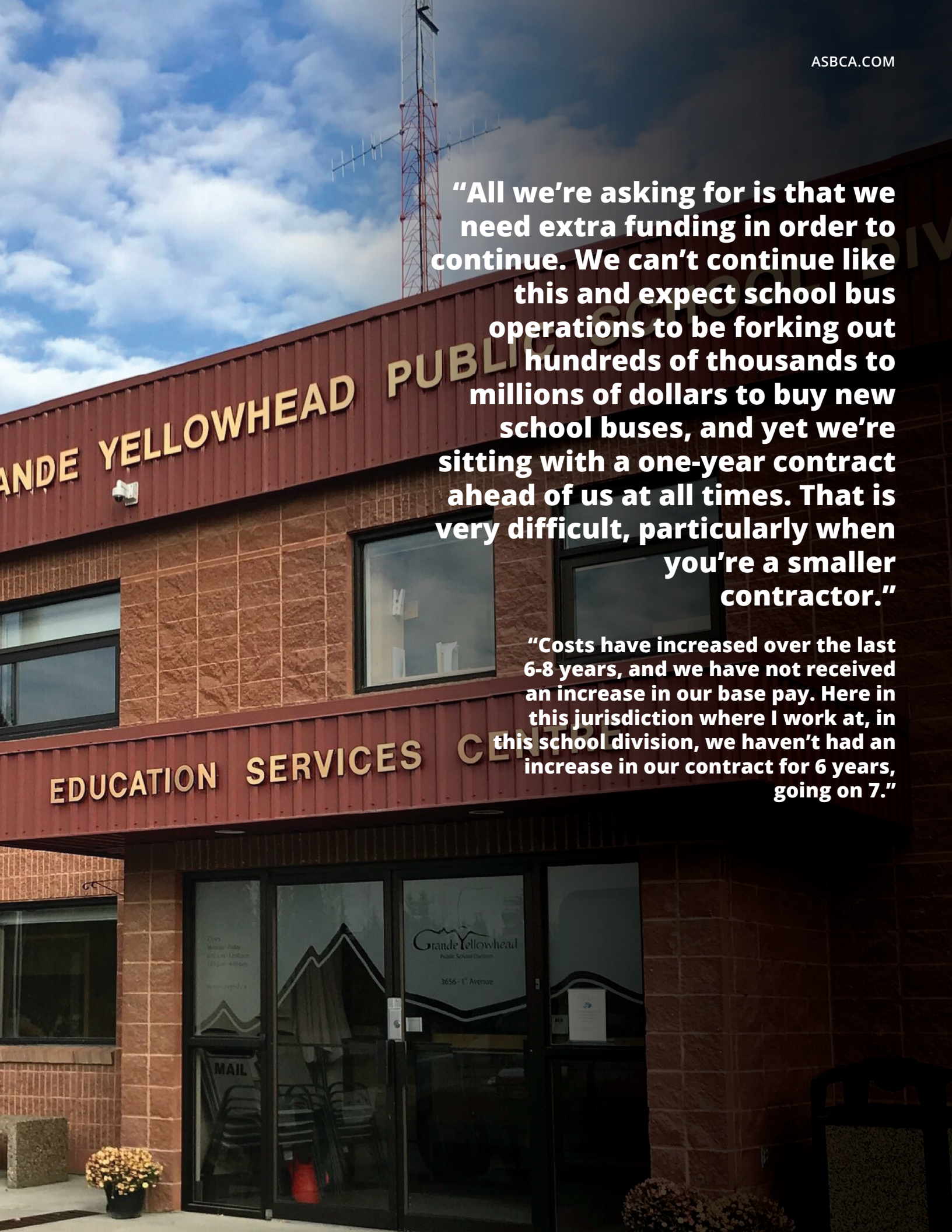
James wants the Minister of Education to know that he wants to see universal education in Alberta. He is aware of the complications and differences between urban and rural areas, but believes jurisdictions that fall outside of urban areas should be funded differently. He believes that transportation costs are higher in urban areas, and that is something that should be considered. James wants to stress that we should take a long look at the upper administration, and he is concerned that there may be excessive bureaucracy that is difficult to justify.

"Our insurance has over doubled and there was no heads-up time on this... all of a sudden, there is our bill."



"All we're asking for is that we need extra funding in order to continue. We can't continue like this and expect school bus operations to be forking out hundreds of thousands to millions of dollars to buy new school buses, and yet we're sitting with a one-year contract ahead of us at all times. That is very difficult, particularly when you're a smaller contractor."

"Costs have increased over the last 6-8 years, and we have not received an increase in our base pay. Here in this jurisdiction where I work at, in this school division, we haven't had an increase in our contract for 6 years, going on 7."



THEIR STORY

Ernie Smith

Contractors - Grande Yellowhead Schools

Ernie has been in the industry since 2000. His wife's sister was a bus driver, and she was the one who inspired him to get into the industry.

School bus expenses were a lot lower back then. Price of fuel, inspection pricing, everything from mechanic wages and shop wages to insurance have all gone up in the last few years. Ernie explains insurance prices especially are getting ridiculous nowadays, and the issue is that there has been no increase in revenue for 7 years. He is worried that if they keep operating under the same dollars they received 7 years ago, small contractors are not going to be able to function in the coming years. Additionally, the incentive to get into the industry is diminishing.


COVID-19 has affected Ernie's income as well. There has not been any school field trips or extra-curricular trips or events, which has cut into his income.

Ernie wants the Minister of Education to realize they need an increase in funding in the school bus industry, and that is the bottom line. He would like to see the government put a cap back on insurance rates. There is currently no cap, which has caused a real dilemma. Ernie is curious and confused about how the government body can allow such an increase in such a small amount of time. He is hopeful they can sit down, take a look at these issues, and hear out the school transportation community. They are hoping for positive answers and that someone, someday will listen and help them out.

"I recently had to let go of 2 buses because of the insurance. I can't have spare buses sitting around with insurance on them and not having any work for them."

"We haven't had raises in the transportation department for quite some time. Without that kind of money coming in, it's hard for us to keep going."



A man with a friendly expression, wearing a red and white plaid button-down shirt, stands in front of a large, leafy green tree. The background shows a glimpse of a grassy area and a paved path. The lighting is bright, suggesting a sunny day.

"There are more families, more people, moving out to the rural areas, so there are going to be more children out there that need busing transportation. Without that transportation, how are those children going to get to school?"

"Getting this message out to more of the general public will open some eyes to the fact that we are in a little trouble here as far as funding for transportation."

THEIR STORY

Laura Dublanko

Parent

Laura and her siblings went on the same bus that Lin, her children's current bus driver, operated. Laura appreciates how Lin has poured her heart into safely taking kids to school every day in 30-plus years of driving a bus,

When Laura left and came back to small-town life for the strong community, she was thrilled to have Lin take her kids to school. Lin is invited to their family functions, and those of many other families with whom she worked. They trust Lin and feel safe with their kids in her care.

Lin was Laura's bus driver from kindergarten to Grade 12. Laura recently heard of her retirement and it made her very emotional thinking Lin won't be the bus driver for her children anymore. They have built a strong connection, and Laura has been grateful to have someone trustworthy and dependable drive her children to school.

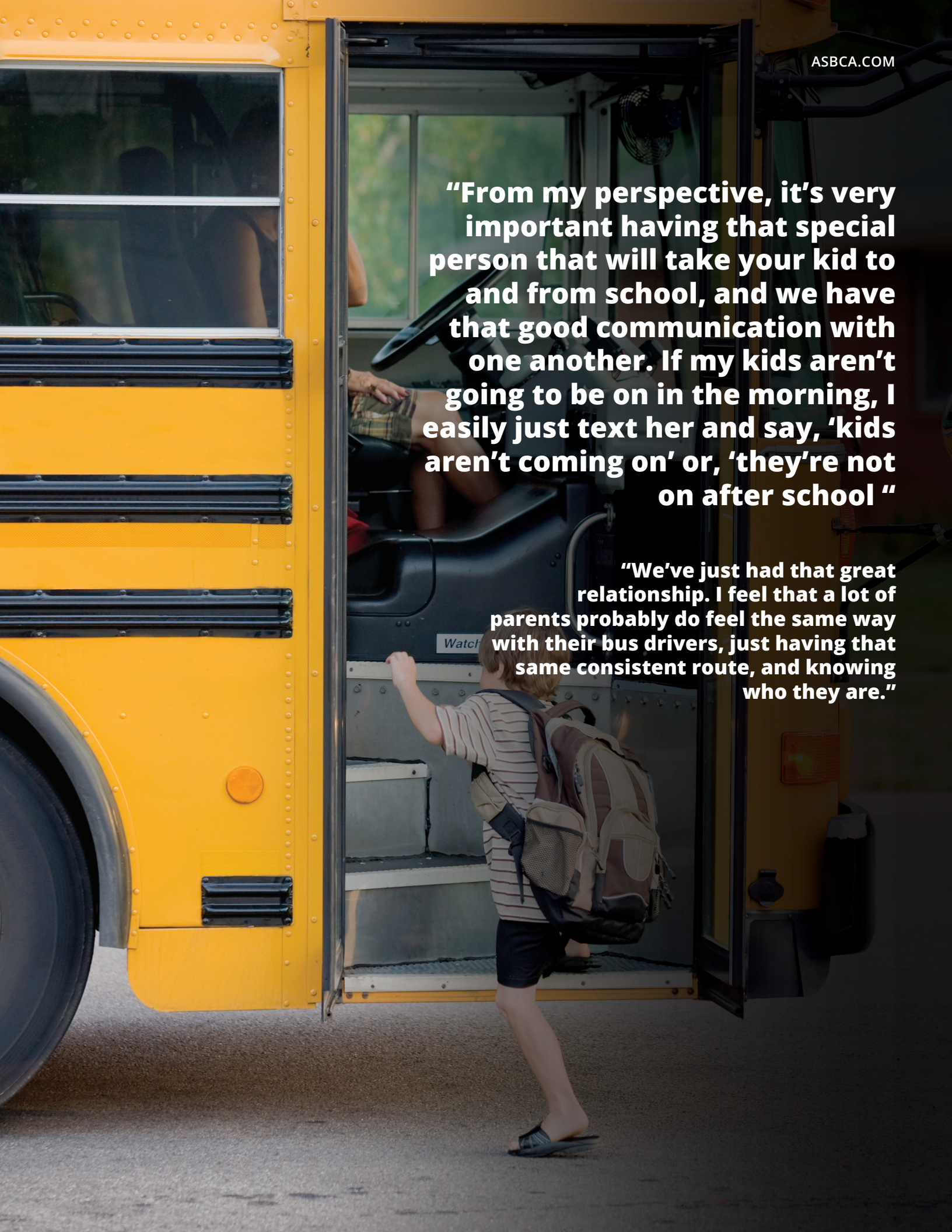
Having a consistent bus driver is important to her children, too. They feel very safe with her, and they were really disappointed to hear she will no longer drive them because of her retirement.

Laura is worried about how the bus drivers will be able to afford to run a bus without any additional help. She believes the extra costs are absurd, and hopes something can be done about it. The school bus system is all Laura has ever known, and she doesn't know what she'll do without the drivers. She knows many other parents feel the same way.

"She is almost like another parent."

"The kids are spending up to 2 hours a day with their bus driver; they want to feel security."





"From my perspective, it's very important having that special person that will take your kid to and from school, and we have that good communication with one another. If my kids aren't going to be on in the morning, I easily just text her and say, 'kids aren't coming on' or, 'they're not on after school' "

"We've just had that great relationship. I feel that a lot of parents probably do feel the same way with their bus drivers, just having that same consistent route, and knowing who they are."

THEIR STORY

Garry Prosser

Contractors - Black Gold School Division

Garry has been in the business for 4 years. He started as a school bus mechanic, and his boss encouraged him to get into the driving industry. He enjoys how the job is different every day and appreciates the continuous learning as well as the people he works with.

Unfortunately, recently he has been forced to spend a great deal of his time writing letters to the government and trying to find support for his industry. He has also exhausted his time and energy trying to find a reasonable insurance company. However, he has been unsuccessful in all of those areas.


This is also time away from his family. Garry has been spending hours and hours writing letters, looking for some sort of recognition. His company can't afford to pay him for the work he does on his buses, and there isn't enough income to recover the money he has invested personally.

He is seeing all the long-timers quitting because of these policy changes, and he doesn't have that option. Garry doesn't know if staying is a good choice, but his hands are tied. Costs are going up and usually businesses would look to their clients to help cover these costs, but this is one of the few industries where that isn't an option.

Garry is hoping this initiative brings light to the situation and that something can be done once and for all. He wants the Minister of Education to know that the school bus contractors are exasperated, and this has caused a major negative impact. His division hasn't seen an increase in pay since he started, and this year they saw a 300% increase in their insurance. Garry is greatly concerned that they won't survive in the industry unless something is done urgently.

"The contract rates have not kept pace with all the fixed and variable costs incurred providing student transportation."





"I've been investing heavily into my company, and this was going to be the first profitable year. Of course with the insurance, it took that out of the picture."

"It's going through too many hands before it gets there."

"These are long-term contractors that are just walking away because there's no sustainability here. They know they will only lose more money if they continue."

**Within our association,
contractors that operate over 430+
buses have yet to find affordable
insurance for the upcoming school
year.**

**This number does not include
medium to large size carriers.**

**If our pleas to you are not heard,
Alberta children will be left
without access to bussing this
upcoming school year.**

THAT IS A FACT.



APPENDICES

Hon. Adriana LaGrange
Minister of Education
228 Legislature Building
10800 – 97 Avenue
Edmonton, Alberta T5K 2B6

Dear Mr. Hrehorets,

Thank you for your January 29, 2021 letter on behalf of the Alberta School Bus Contractors' Association regarding the current challenges facing school bus contractors in Alberta.

Alberta Education values the important role school bus contractors play in providing safe transportation for nearly 300,000 students to and from school every day. We appreciate the extra efforts of school bus drivers throughout the pandemic to ensure the safety of students and prevent the spread of COVID-19.

I recognize how increased costs have affected student transportation operations in Alberta over the past few years. As you know, student transportation funding increased by five per cent for the 2020/21 school year. School boards have the flexibility to use the additional \$15 million in funding to help support these costs. School authorities have also received more than \$272 million in provincial and federal funding to support additional COVID-19-related costs during the 2020/21 school year and are responsible for determining how to allocate these funds.

In regard to your comments about insurance costs, Alberta Education is aware of the recent insurance premium increases that have negatively impacted many Alberta contract bus operators, particularly smaller operators who are insured through the Alberta Risk Managed Insurance Consortium. Alberta Education is currently working with school boards to gather more information about these increases and to determine next steps. Education staff will also reach out to your organization and school bus contractors for more information about the increases.

In your letter you also comment on Alberta's COVID-19 immunization program and vaccination of school bus drivers. Alberta Health and Alberta's COVID-19 Vaccine Task Force continue to work on getting the vaccine to Albertans. Alberta's phased approach to vaccination focuses first on priority health-care workers and those who are at highest risk of severe outcomes. Alberta Health has advised that eligibility will continue to expand as more vaccine arrives in the Province and more doses are administered to those most at risk.

Phase 2 is still expected to start by April 2021, depending on supply for the vaccine. On February 19, 2021, Premier Kenney announced Phase 2 vaccinations will be offered in a staged approach and once completed will have vaccinated anyone aged 50 – 74, anyone with high risk underlying health conditions,

First Nations and Metis people aged 35 and older, residents and staff in congregate living settings and eligible caregivers. Phase 3 will involve rolling out vaccinations to the general Alberta populations and is anticipated to start later in 2021.

For more information, please visit alberta.ca/covid19-vaccine.aspx.

On February 10, 2021, Alberta's government announced that hundreds of thousands of workers who continue to provide critical services to Albertans during the COVID-19 pandemic will receive a one-time payment in recognition of their hard work and sacrifice.

The Critical Worker Benefit is a joint federal-provincial program that will see \$465 million go to approximately 380,000 Alberta public and private sector workers as \$1,200 cash payments. The benefit will be available to workers in the health care, social services, education and private sectors who deliver critical services to Albertans or support food and medical supply chains.

Despite the unique challenges that come with learning during a pandemic, students in Alberta continue to receive a world-class education, thanks to the hard work of thousands of dedicated education workers. The critical worker benefit recognizes their determination to go above and beyond for Alberta's students.

Up to 36,000 workers in the education sector will be eligible to receive the benefit. This includes educational/teacher assistants, bus drivers, custodians/janitors and school secretarial-related lower-wage positions. We are thankful to all education workers who have stepped-up to support Alberta students during the pandemic.

More information about the benefit program is available at alberta.ca/criticalworkerbenefit.

I hope this information is helpful, and I appreciate you for taking the time to share your concerns.

Sincerely,

Hon. Adriana LaGrange
Minister of Education
228 Legislature Building
10800 – 97 Avenue
Edmonton, Alberta T5K 2B6

Dear Minister,

On behalf of the Alberta School Bus Contractors' Association, we must reach out to you as the need is dire for school buses to continue to operate in the Province of Alberta successfully. School bus drivers are front line workers taking students to classrooms amid a global pandemic in the safest vehicle on the road. Fundamental challenges need to be recognized and resolved for these drivers and buses to continue operating. School bus drivers should also be included with the teacher group for early vaccination to ensure that student bubble is not compromised.

School bus contractors have incurred significant cost increases over the past few years, with little to no revenue increase to offset these costs to ensure we can continue providing this essential service. Below are some examples of the larger increases we have been faced with:

- Training costs due to the MELT program have increased by approximately 300%. Drivers' medicals, registration, and testing have increased along with this.
- The cost of parts for repairs is now up 10% from last year.
- School divisions do not wholly cover COVID-19 costs, and drivers who are required to be in isolation due to close contact with a positive student must have their immediate wages covered or it is unlikely that they will return to the job.
- Due to the global pandemic, there are no field or charter trips as an additional revenue source, which previously helped offset indirect costs.

Alberta's school bus contractors cannot continue to operate at a financial loss while providing Alberta's students with a safe, reliable service to ensure they receive the education they need.

Alberta Education's government grant increase of 5% for the next 2 years did not include any amount for growth.

The Alberta School Bus Contractors are at the mercy of school divisions to recognize the increasing cost of operations and provide that funding. Most divisions have not forwarded the increase to the bus contractors.

With the increase in insurance rates, contractors will have no choice but to give up their livelihoods. This is who the school bus contractors are:

- They live and volunteer in the areas they serve.
- They purchase supplies, fuel, etc., locally, giving back to the economy.
- They have provided a service for multi-generations of families.
- They are the first face a student sees in the morning and the last after school before they are at home, often the first to recognize when a child is in distress.
- They attend weddings, graduations, and baby showers; they are mentors for students and confidants for families.
- They mend broken hearts, scraped knees, and hurt feelings.
- They prepare students to learn every day, so they have a positive experience in the school system.

There are bus contractors right now giving up their bus contracts in Alberta, as there are no financial means for them to continue to operate.

It is imperative that Alberta Education be involved in this matter to ensure a healthy school bus contractor system is in place to safely transport our children, who will lead our future. At the end of the day, it is a business that cannot operate without funding and support from our government.

Minister LaGrange, we know you receive many letters but this is a dire situation that will have a direct impact on the education of students in Alberta. We appreciate your prompt attention to this matter as our school bus contractors desperately need your support to ensure Alberta's children can access education.

Regards,

Tom Hrehorets
President ASBCA
tom@hrehoretsbus.ca

cc: Rick Grebenstein, Alberta Education
Dexter Durfey, President ASBOA
Lorrie Jess, President ASBA

MOST SIGNIFICANTLY

A 358% increase in insurance rates for small contracted bus operators was implemented in November 2020. The increase in rates is out of the bus contractor's control, and it occurred mid-year in the contracts. No other insurance providers are willing to insure operators with less than 25 bus routes, leaving small contractors with no option. In addition to this, large contractors have had insurance increases of over 200%. Under the new insurance agreement, contractors will no longer be permitted to drive for various school divisions as of November 1, 2021 and all buses must be equipped with camera systems and GPS systems that are unfunded.



Hon. Adriana LaGrange

**YOU NEED
TO ACT
NOW.**