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Trustees' Association

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Patrick Daly, *President*  
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January 15, 2018

## MEMORANDUM

**TO:** Chairpersons and Directors of Education  
- All Catholic District School Boards

**FROM:** Patrick J. Daly, President

**SUBJECT:** **Independent School Bus Operators Association (ISBOA) Letter to Minister of Education**

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As you are aware, the Independent School Bus Operators Association (ISBOA) has been advocating for substantial changes to the student transportation procurement process as well as the financial impacts of Bill 148 in respect of the changes to Ontario's minimum wage.

We have attached the letter ISBOA recently sent to the Minister of Education, for your reference.

If you have any questions, please do not hesitate to contact me or Stephen Andrews at [sandrews@ocsta.on.ca](mailto:sandrews@ocsta.on.ca).

*Attachment*

December 11, 2017

The Honourable Mitzie Hunter  
Minister of Education  
Ministry of Education  
22nd Floor, Mowat Block  
900 Bay Street  
Toronto, ON M7A 1L2

Via email: [minister.edu@ontario.ca](mailto:minister.edu@ontario.ca)

Dear Minister Hunter,

We appreciate the efforts of Joshua Paul, Alexi White and Chris Martin in working with our industry and the offer of retention bonuses to assist in the retention of drivers. We will continue to work with your Ministry in the implementation of this program.

We are disappointed however, that the Ministry refuses to address the root causes of the problems facing the student transportation industry. As has been repeatedly documented by the Ministry's own review (including those carried out by the Honourable Coulter Osborne and the Honourable Colin Campbell), the RFP process imposed on the industry over the last eight years has been unfair, discriminatory, and has not produced value for money. Instead, it has destroyed rural family-run businesses without compensation and forced operators of all sizes into a "race for the bottom" that has led directly to the driver shortages and other issues that plague the industry.

Even after Mr. Campbell set out detailed criteria for fair and balanced procurements and contracts, consortia continue to release RFPs and contracts that are one-sided and discriminate against smaller operators. This has to stop.

The student transportation industry is already in crisis, with contract structures and rates that make it impossible to provide safe and reliable service. This situation is about to become dramatically worse as a result of your government's changes to the Employment Standards Act and the Ontario Labour Act – specifically, the increases in minimum wage and other benefits. The result of these changes will be compression on all employee's wages, dramatically increasing operators' costs.

ISBOA and OSBA notified your Ministry of this impact in early June and requested support. The Ministry has yet to deal with this issue in student transportation, though it has addressed the problem in other industries – most recently by allocating \$13 million for childcare providers.

The Minister of Finance's fall budget statement refers to the minimum wage and reads in part:

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*“...The government appreciates that these significant benefits are also not without some associated costs. It is committed to working with its delivery partners such as those in the broader public sector and the not-for-profit sector, to help ensure they successfully manage the transition in the lead-up to January 1, 2018 and beyond.”*

To date your Ministry has not worked with your “delivery partners” to help “ensure they successfully manage the transition” for student transportation.

Additionally, Labour Minister Flynn has been quoted as saying that if a company cannot absorb the impact of the new minimum wage, then it should increase the prices it charges to its customers. The Ministry of Education is the ‘paying customer’ for student transportation, but it has yet to increase rates as Minister Flynn suggested. Operators are locked into contracts and rates they are powerless to change, while at the same time facing ruinous cost increases. The government controls both sides of this equation and needs to address the issue immediately.

Contracts have up to nine years remaining in their term and the minimum wage increase, along with ‘compression’, will mean that operators will have to absorb a 32% increase in labour costs (which represent 46% of the rates charged) for each year of the balance of the contract. Failing to address this issue through increased rates and funding will result in the widespread failure of school bus companies, which will in turn cause widespread disruption to students, parents, and schools.

Our members have taken pride in delivering safe and efficient student transportation services for decades. They will continue to work tirelessly to achieve this goal. There is, however, a limit to what we can do. Today’s “race to the bottom”, brought about by discriminatory RFPs and unfair contracts, has contributed to service disruptions in many communities over the past 15 months and forced companies to operate on the brink of financial collapse. Operators do not have the ability to absorb even a fraction of the wage increases resulting from the new legislation. It is in everyone’s interest to address this issue before it causes a crisis in the industry.

Yours truly



Frank Healey, Chair  
ISBOA

Copy to:

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Patrick Daly, Chair Catholic Trustees Association, [PDaly@ocsta.on.ca](mailto:PDaly@ocsta.on.ca)

Laurie French, Chair Ontario Public School Boards’ Association [LFrench@opsba.org](mailto:LFrench@opsba.org)

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