UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended **September 30, 2000**	Commission File Number **0-13611**

SPARTAN MOTORS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Michigan (State or Other Jurisdiction of Incorporation or Organization)	**38-2078923** (I.R.S. Employer Identification No.)
1000 Reynolds Road **Charlotte, Michigan** (Address of Principal Executive Offices)	**48813** (Zip Code)

Registrant's Telephone Number, Including Area Code: **(517) 543-6400**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes __X__ No _____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 8, 2000
Common stock, $.01 par value	11,288,077 shares

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

SPARTAN MOTORS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2000	December 31, 1999
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,037,086	$ 35,797
Accounts receivable, less allowance for doubtful accounts of $567,000 in 2000 and 1999	30,439,178	36,514,507
Inventories (Note 4)	30,410,384	39,580,734
Deferred tax benefit	3,487,305	3,487,305
Taxes receivable	8,159,717	1,427,945
Other current assets	994,518	834,404
Total current assets	74,528,188	81,880,692
Property, plant, and equipment, net	10,718,349	11,127,360
Goodwill, net of accumulated amortization of $1,190,000 in 2000 and $1,001,000 in 1999, respectively	5,064,669	5,419,417
Other assets	589,905	527,189
Long-term assets of discontinued operations, net	3,251,850	7,356,931

Total assets	$	94,152,961	$	106,311,589

SPARTAN MOTORS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)

		September 30, 2000		December 31, 1999
		(Unaudited)		
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$	16,125,753	$	22,406,392
Notes payable		--		35,000
Other current liabilities and accrued expenses		3,274,370		1,386,557
Accrued warranty		3,608,246		3,303,778
Accrued customer rebates		544,639		629,311
Accrued compensation and related taxes		1,796,029		1,691,664
Accrued vacation		1,112,148		1,108,664
Deposits from customers		3,004,866		3,652,964
Current portion of long-term debt		267,075		522,586
Current liabilities of discontinued operations, net		6,359,811		5,277,185
Total current liabilities		36,092,937		40,014,101
Long-term debt		26,857,619		23,119,047
Shareholders' equity:				
Preferred stock, no par value: 2,000,000 shares authorized (none issued)		--		--
Common stock, $.01 par value, 23,900,000 shares authorized, issued 11,288,077 shares in 2000 and 12,273,977 shares in 1999		112,881		122,740
Additional paid in capital		21,742,364		23,645,151
Retained earnings, net of effect of minority interest in shareholders' deficit of subsidiary of ($4,828,324) in 2000 and 1999		9,347,160		19,410,550
Total shareholders' equity		31,202,405		43,178,441
Total liabilities and shareholders' equity	$	94,152,961	$	106,311,589

See notes to condensed consolidated financial statements.

SPARTAN MOTORS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended September 30, 2000	Three Months Ended September 30, 1999
Sales	$ 53,045,380	$ 76,335,294
Cost of products sold	49,167,918	65,044,441
Gross profit	3,877,462	11,290,853
Operating expenses		
Research and development	1,598,786	1,636,870
Selling, general and administrative	4,527,881	5,217,210
Operating income	(2,249,205)	4,436,773
Other income / (expense)		
Interest expense	(335,351)	(408,464)
Interest and other income	166,222	144,337
Earnings (loss) before taxes on income	(2,418,334)	4,172,646
Taxes on income	(685,745)	1,552,961
Net earnings (loss) from continuing operations	(1,732,589)	2,619,685
Discontinued operations:		
Loss from operations of Carpenter (less applicable income taxes of $0)	2,148,151	1,690,117
Loss on disposal of Carpenter, including provision of $1,775,000 for operating losses during phase-out period (less applicable income tax benefit of $6,942,000)	6,099,174	--
Net earnings (loss)	$ (9,979,914)	$ 929,568
Basic and diluted net earnings per share:		
Net earnings (loss) from continuing operations	$ (0.15)	$ 0.21
Loss from discontinued operations:		
Loss from operations of Carpenter	(0.19)	(0.13)
Loss on disposal of Carpenter	(0.54)	--
Basic and diluted net earnings (loss) per share	$ (0.88)	$ 0.07
Basic weighted average common shares outstanding	11,318,000	12,535,000
Diluted weighted average common shares outstanding	11,324,000	12,556,000

See notes to condensed consolidated financial statements.

SPARTAN MOTORS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Nine Months Ended September 30,			
		2000		1999
Sales	$	194,102,630	$	214,685,461
Cost of products sold		169,142,496		182,446,210
Gross profit		24,960,134		32,239,251
Operating expenses				
Research and development		4,955,130		4,866,079
Selling, general and administrative		14,557,991		14,777,268
Operating income		5,447,013		12,595,904
Other income / (expense)				
Interest expense		(863,365)		(1,180,742)
Interest and other income		349,239		298,479
Earnings before taxes on income		4,932,887		11,713,641
Taxes on income		1,929,929		4,243,201
Net earnings from continuing operations		3,002,958		7,470,440
Discontinued operations:				
Loss from operations of Carpenter (less applicable income taxes of $0)		3,900,853		4,094,262
Loss on disposal of Carpenter, including provision of $1,775,000 for operating losses during phase-out period (less applicable income tax benefit of $6,942,000)		6,099,174		--
Net earnings (loss)	$	(6,997,069)	$	3,376,178
Basic and diluted net earnings per share:				
Net earnings from continuing operations	$	0.26	$	0.60
Loss from discontinued operations:				
Loss from operations of Carpenter		(0.34)		(0.33)
Loss on disposal of Carpenter		(0.52)		--
Basic and diluted net earnings (loss) per share	$	(0.60)	$	0.27
Basic weighted average common shares outstanding		11,737,000		12,535,000
Diluted weighted average common shares outstanding		11,749,000		12,558,000

See notes to condensed consolidated financial statements.

SPARTAN MOTORS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(UNAUDITED)

	Number of Shares	Common Stock	Additional Paid In Capital	Retained Earnings	Total
Balance at January 1, 2000	12,273,977	$ 122,740	$ 23,645,151	$ 19,410,550	$ 43,178,441
Purchase and constructive retirement of stock	(985,900)	(9,859)	(1,902,787)	(2,255,576)	(4,168,222)
Dividends paid				(810,745)	(810,745)
Comprehensive income:					
Net earnings (loss)				(6,997,069)	(6,997,069)
Balance at September 30, 2000	11,288,077	$ 112,881	$ 21,742,364	$ 9,347,160	$ 31,202,405

See notes to condensed consolidated financial statements.

SPARTAN MOTORS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Nine Months Ended September 30, 2000	1999
Cash flows from operating activities:		
Net earnings from continuing operations	$ 3,002,958	$ 7,470,440
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	1,716,808	1,887,553
Loss (gain) on sales of assets	5,929	(61,627)
Decrease (increase) in assets:		
Accounts receivable	6,075,329	(3,883,303)
Inventories	9,222,590	(4,217,869)
Federal taxes receivable	(6,731,772)	--
Other assets	(222,830)	(391,130)
Increase (decrease) in liabilities:		
Accounts payable	(5,313,339)	3,478,023
Other current liabilities and accrued expenses	1,887,813	394,692
Accrued warranty	304,468	118,518
Accrued customer rebates	(84,672)	18,349
Taxes on income	--	(1,085,635)
Accrued vacation	3,484	92,671
Accrued compensation and related taxes	104,365	902,274

Deposits from customers	(648,098)	1,310,520
Total adjustments	6,320,075	(1,436,964)
Net cash provided by continuing operating activities	9,323,033	6,033,476
Net cash used in discontinued operating activities	(5,811,344)	(7,377,710)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(986,495)	(1,269,725)
Proceeds from sales of property, plant and equipment	8,001	21,984
Proceeds from sales of investment securities	--	500,000
Purchase price adjustment related to acquisition of subsidiary	--	(249,103)
Minority interest contributions	(1,000)	750,000
Net cash used in investing activities	(979,494)	(246,844)

(Continued)

SPARTAN MOTORS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Nine Months Ended September 30,	
	2000	1999
Cash flows from financing activities:		
Payments on notes payable	$ (35,000)	$ (197,000)
Proceeds from long-term debt	3,750,000	2,695,713
Payments on long-term debt	(266,939)	(13,130)
Net proceeds from exercise of stock options	--	3,180
Dividends paid	(810,745)	(877,430)
Purchase of previously-issued stock	(4,168,222)	--
Net cash provided by (used in) financing activities	(1,530,906)	1,611,333
Net increase in cash and cash equivalents	1,001,289	20,255
Cash and cash equivalents at beginning of period	35,797	37,645
Cash and cash equivalents at end of period	$ 1,037,086	$ 57,900

See notes to condensed consolidated financial statements.

SPARTAN MOTORS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 For a description of the accounting policies followed refer to the notes to the Spartan Motors, Inc. (the "Company") annual consolidated financial statements for the year ended December 31, 1999, included in the Company's Form 10-K filed with the Securities and Exchange Commission on March 7, 2000.

Note 2 The accompanying unaudited interim consolidated financial statements reflect all normal and recurring adjustments that are necessary for the fair presentation of the Company's financial position as of September 30, 2000, and the results of operations and cash flows for the periods presented.

Note 3 The results of operations for the three- and nine-month periods ended September 30, 2000 are not necessarily indicative of the results to be expected for the full year.

Note 4 Inventories consist of raw materials and purchased components, work in process, and finished goods and are summarized as follows:

		September 30, 2000		December 31, 1999
Finished goods	$	2,696,563	$	7,283,900
Raw materials and purchased components		26,195,208		31,220,560
Work in process		6,959,383		4,954,579
Obsolescence reserve		(5,440,770)		(3,878,305)
	$	30,410,384	$	39,580,734

Note 5 On September 27, 2000, the Company's Board of Directors passed a resolution to cease funding of the Company's majority-owned subsidiary, Carpenter Industries, Inc. ("Carpenter"). Carpenter's Board of Directors then voted on September 29, 2000 to begin the orderly liquidation of Carpenter. As part of the orderly liquidation process, the fixed assets will be sold, current assets collected and proceeds used to pay current and noncurrent liabilities, to the extent possible. The Company has certain guarantees in place and it anticipates that it will be required to pay approximately $3.1 million to Carpenter creditors. The Company's intention is to complete the orderly liquidation as quickly as possible and it estimates this will take no longer than one year. As a result of these actions, the Consolidated Statement of Operations has been restated to report the operating results of Carpenter as a discontinued operation in accordance with Accounting Principles Board (APB) Opinion No. 30, "Reporting the Results of Operations&quot. Carpenter's sales for the nine months ended September 30, 2000 and 1999 were $22.0 million and $19.7 million, respectively.

The net current and noncurrent assets and liabilities of the discontinued operations have been segregated in the consolidated balance sheets. Details of such amounts at September 30, 2000 and December 31, 1999 are as follows:

Note 5 **(continued)**

		September 30, 2000		December 31, 1999
Accounts receivable	$	1,982,250	$	1,251,300
Inventories		1,858,328		7,530,993
Notes payable		(5,194,323)		(7,319,746)
Accounts payable		(602,841)		(2,708,996)
Other, net		(4,403,225)		(4,030,736)

Net current assets (liabilities) of discontinued operations	$ (6,359,811)	$ (5,277,185)
Property, plant and equipment, net	$ 7,598,106	$ 11,440,817
Goodwill, net	--	2,043,578
Long-term debt	(4,346,256)	(5,700,256)
Other, net	--	(427,208)
Net long-term assets of discontinued operations	$ 3,251,850	$ 7,356,931

Note 6 Sales and other financial information by business segment are as follows (amounts in thousands):

Three Months Ended September 30, 2000

	Business Segments					
	Chassis	EVTeam	Carpenter	Intangibles	Other	Consolidated
Net Sales	$ 40,356	$ 15,421			$ (2,732)	$ 53,045
Interest expense	174	229			(67)	336
Depreciation and amortization expense	228	122		$ 106	98	554
Income tax expense	(430)	(167)			(89)	(686)
Segment earnings (loss) from continuing operations	(1,218)	(165)		(106)	(243)	(1,732)
Discontinued operations	(808)	--	$ (7,440)			(8,248)
Segment earnings (loss)	(2,026)	(165)	(7,440)	(106)	(243)	(9,980)
Segment assets	65,213	23,388	3,252	5,065	(2,765)	94,153

Note 6 **(continued)**

Three Months Ended September 30, 1999

	Business Segments					
	Chassis	EVTeam	Carpenter	Intangibles	Other	Consolidated
Net Sales	$ 64,179	$ 14,434			$ (2,277)	$ 76,336
Interest expense	299	142			(33)	408
Depreciation and amortization expense	222	100		$ 208	86	616
Income tax expense	1,401	144			8	1,553
Segment earnings (loss) from continuing operations	2,583	203		(208)	41	2,619
Discontinued operations	--	--	$ (1,690)	--	--	(1,690)
Segment earnings (loss)	2,583	203	(1,690)	(208)	41	929
Segment assets	81,167	24,501	5,313	6,970	(4,392)	113,559

Nine Months Ended September 30, 2000

	Business Segments					
	Chassis	EVTeam	Carpenter	Intangibles	Other	Consolidated
Net Sales	$ 156,693	$ 45,874			$ (8,465)	$ 194,102
Interest expense	310	563			(9)	864
Depreciation and						

	Chassis	EVTeam	Carpenter	Intangibles	Other	Consolidated
amortization expense	702	335		$ 335	345	1,717
Income tax expense	2,278	164			(512)	1,930
Segment earnings (loss) from continuing operations	3,348	422		(335)	(432)	3,003
Discontinued operations	(808)	--	$ (9,192)			(10,000)
Segment earnings (loss)	2,540	422	(9,192)	(335)	(432)	(6,997)
Segment assets	65,213	23,388	3,252	5,065	(2,765)	94,153

Nine Months Ended September 30, 1999

	Business Segments					
	Chassis	EVTeam	Carpenter	Intangibles	Other	Consolidated
Net Sales	$ 180,205	$ 41,536			$ (7,055)	$ 214,686
Interest expense	867	376			(63)	1,180
Depreciation and amortization expense	748	266		$ 625	249	1,888
Income tax expense	3,964	459			(180)	4,243
Segment earnings (loss) from continuing operations	7,502	720		(625)	(127)	7,470
Discontinued operations			$ (4,094)			(4,094)
Segment earnings (loss)	7,502	720	(4,094)	(625)	(127)	3,376
Segment assets	81,167	24,501	5,313	6,970	(4,392)	113,559

  Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 2.

The following is a discussion of the major elements impacting the Company's financial and operating results for the three- and nine-month periods ended September 30, 2000 compared to the same periods ended September 30, 1999. The comments that follow should be read in conjunction with the Company's consolidated financial statements and related notes contained in this Form 10-Q.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, the components of the Company's consolidated statements of operations, on an actual basis, as a percentage of sales:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
Sales	100.0%	100.0%	100.0%	100.0%
Cost of product sold	92.7%	85.2%	87.1%	85.0%
Gross profit	7.3%	14.8%	12.9%	15.0%
Operating expenses:				
Research and development	3.0%	2.1%	2.6%	2.3%
Selling, general, and administrative	8.5%	6.9%	7.5%	6.8%
Operating income	-4.2%	5.8%	2.8%	5.9%
Other	-0.4%	-0.3%	-0.3%	-0.4%
Earnings before taxes on income	-4.6%	5.5%	2.5%	5.5%

Taxes on income	-1.3%	2.1%	1.0%	2.0%
Net earnings (loss) from continuing operations	-3.3%	3.4%	1.5%	3.5%
Discontinued operations:				
Loss from operations of Carpenter	-4.1%	-2.2%	-2.0%	-1.9%
Loss on disposal of Carpenter	-11.4%		-3.1%	
Net earnings (loss)	-18.8%	1.2%	-3.6%	1.6%

Three-Month Period Ended September 30, 2000, Compared to the Three-Month Period Ended September 30, 1999

Continuing Operations

For the three months ended September 30, 2000, consolidated sales decreased $23.3 million (30.5%) over the amount reported for the same period in the previous year. Chassis Group sales for the third quarter of 2000 decreased by $23.8 million (37.1%) compared to the sales reported for the same period of 1999. The majority of this decrease is due to decreased sales of motorhome chassis. For the third quarter of 2000, motorhome chassis sales decreased 47.8% compared to the quarter ended September 30, 1999. Rising interest rates, coupled with higher gasoline prices and a fluctuating stock market, have contributed to the slower demand in the motorhome market.

Fire truck chassis sales in the third quarter of 2000 were consistent with the same period of 1999. The fire truck market continues to be strong in 2000, as it is not typically impacted by interest rate fluctuations. Transit bus sales decreased slightly for the third quarter of 2000 compared to the sales reported for the same period in 1999. This is consistent with the Company's decision to transition out of the transit bus market.

EVTeam sales increased ($1.0 million or 6.8%) from their sales level in the prior year's third quarter. The strong fire truck market mentioned above was primarily responsible for this increase.

Gross margin decreased from 14.8% for the quarter ended September 30, 1999 to 7.3% for the same period of 2000. This decrease is primarily due to write-offs of obsolete chassis inventory resulting from slow motorhome sales and the Company's decision to exit the transit bus market.

Operating expenses increased from 9.0% of sales for the third quarter of 1999 to 11.5% for the third quarter of 2000. While operating expenses in dollars dropped (10.6%), sales volume dropped 30.5%, resulting in an increase in operating expenses as a percentage of sales. In the third quarter of 2000, the Chassis group reduced its salaried workforce by 20% in order to combat operating expenses in light of lower sales levels.

Discontinued Operations

On September 27, 2000, the Company's Board of Directors passed a resolution to cease funding of the Company's majority-owned subsidiary, Carpenter Industries, Inc. ("Carpenter"). Carpenter's Board of Directors then voted on September 29, 2000 to begin the orderly liquidation of Carpenter. The disposition of Carpenter's assets is being accounted for as a discontinued operation. The $2.1 and $1.7 million losses from operations of Carpenter reflect losses generated from operating the business segment during the third quarters of 2000 and 1999, respectively. The $6.1 million after-tax loss on disposal of Carpenter recorded in the third quarter of 2000 resulted from the decision to orderly liquidate the company. Details of Carpenter's net assets and liabilities at September 30, 2000 and December 31, 1999 are set forth in Note 5 to the condensed consolidated financial statements.

Total chassis orders received decreased 31.7% during the third quarter of 2000 compared to the same period in 1999. This is primarily due to a decrease of 51.8% in motorhome chassis orders offset somewhat by an increase of 34.9% in fire truck chassis orders. Based on average order lead-time, the Company estimates that approximately one-half of the motorhome, one-third of the bus/specialty, and none of the fire truck chassis orders received during the three-month period ended September 30, 2000 were produced and delivered by September 30, 2000.

At September 30, 2000, the Company had $91.6 million in backlog compared with a backlog of $95.1 million at September 30, 1999. The majority of the decrease is due to transit bus chassis backlog, which has decreased 91.0% due to the fourth quarter 1999 bankruptcy filing by the Company's primary transit bus chassis customer, Metrotrans. This company made up the majority of the backlog number for transit bus chassis at September 30, 1999.

While orders in the backlog are subject to modification, cancellation or rescheduling by customers, the Company has not experienced significant modification, cancellation or rescheduling of orders in the past. Although the backlog of unfilled orders is one of many indicators of market demand, several factors, such as changes in production rates, available capacity, new product introductions and competitive pricing actions, may affect actual sales. Accordingly, a comparison of backlog from period to period is not necessarily indicative of eventual actual shipments.

Nine-Month Period Ended September 30, 2000, Compared to the Nine-Month Period Ended September 30, 1999

Continuing Operations

For the nine months ended September 30, 2000, consolidated sales decreased $20.6 million (9.6%) over the amount reported for the same period in the previous year. The primary reason for this decrease is a drop in Chassis Group sales of $23.5 million (13.0%) between 2000 and 1999 for the period. This is primarily due to the fact that motorhome chassis sales were down 20.7%. This was tempered by increases in sales of fire truck chassis of 4.0%, transit bus sales of 53.4% and part sales of 24.1%. The increase in fire truck chassis sales is due to the consistency of the fire truck market, as mentioned earlier. Transit bus sales are up for the year due to increased sales to the Company's primary transit bus customer that are a result of a large order placed by that customer. Parts sales growth is evidence of the Company's continued emphasis on customer service.

The Company's EVTeam recorded sales increases over the prior year's first nine months. EVTeam sales were up $4.3 million (10.4%) in the current period over the prior year's period. The EVTeam's increase is primarily due to the fire truck market, which continues to be strong, as mentioned before.

Gross margin decreased from 15.0% for the nine months ended September 30, 1999 to 12.9% for the same period of 2000. This is partially due to the write-off of obsolete chassis inventory resulting from slow motorhome sales and the Company's decision to exit the transit bus market. In addition, the EVTeam operates at lower margins than the Chassis Group since the value added is only in the body rather than the complete vehicle. Thus, the gross margin on the body is diluted by the pass-through nature of the chassis cost.

Operating expenses increased from 9.1% of sales for the first nine months of 1999 to 10.1% for the same time frame in 2000. While operating expenses in dollars dropped (0.7%), sales volume dropped 9.6%, resulting in an increase in operating expenses as a percentage of sales. In the third quarter of 2000, the Chassis group reduced its salaried workforce by 20% in order to combat operating expenses in light of lower sales levels.

Discontinued Operations

As mentioned above, on September 27, 2000, the Company's Board of Directors passed a resolution to cease funding of Carpenter. Carpenter's Board of Directors then voted on September 29, 2000 to begin the orderly liquidation of Carpenter. The disposition of Carpenter's assets is being accounted for as a discontinued operation. The $3.9 and $4.1 million losses from operations of Carpenter reflect losses generated from operating the business segment during the nine months ended September 30, 2000 and 1999, respectively. The $6.1 million after-tax loss on disposal of Carpenter recorded during the first nine months of 2000 resulted from the decision to orderly liquidate the company. Details of Carpenter's net assets and liabilities at September 30, 2000 and December 31, 1999 are set forth in Note 5 to the condensed consolidated financial statements.

Total chassis orders received decreased 31.0% during the nine months period ended September 30, 2000 compared to the same period in 1999. This is primarily due to a decrease of 40.4% in motorhome chassis orders. Based on average order lead-time, the Company estimates that approximately three-quarters of the motorhome, one-half of the bus/specialty, and one-third of the fire truck chassis orders received during the nine-month period ended September 30, 2000 were produced and delivered by September 30, 2000.

At September 30, 2000, the Company had $91.6 million in backlog compared with a backlog of $95.1 million at September 30, 1999. The majority of the decrease is due to transit bus chassis backlog, which has decreased 91.0% due to the fourth quarter 1999 bankruptcy filing by the Company's primary transit bus chassis customer, Metrotrans. This company made up the majority of the backlog number for transit bus chassis at September 30, 1999.

While orders in the backlog are subject to modification, cancellation or rescheduling by customers, the Company has not experienced significant modification, cancellation or rescheduling of orders in the past. Although the backlog of unfilled orders is one of many indicators of market demand, several factors, such as changes in production rates, available capacity, new product introductions and competitive pricing actions, may affect actual sales. Accordingly, a comparison of backlog from period to period is not necessarily indicative of eventual actual shipments.

LIQUIDITY AND CAPITAL RESOURCES

For the nine months ended September 30, 2000, cash provided by operating activities from continuing operations was approximately $9.3 million, which was a $3.3 million, improvement over the $6.0 million of cash provided by operating activities from continuing operations for the nine months ended September 30, 1999. The Company's working capital decreased slightly ($3.5 million) from $41.9 million at December 31, 1999 to $38.4 million at September 30, 2000. See the "Condensed Consolidated Statements of Cash Flows" contained in this Form 10-Q for further information regarding the increase in cash and cash equivalents, from $35,797 at December 31, 1999 to $1,037,086 at September 30, 2000.

Shareholders' equity decreased approximately $12.0 million in the nine months ended September 30, 2000 to approximately $31.2 million. This change primarily is due to losses from discontinued operations of $10.0 million, the repurchase of Company stock of $4.2 million and dividends paid of $0.8 million, which were partially offset by net earnings from continuing operations of $3.0 million. The Company's debt to equity ratio increased to 86.9% on September 30, 2000 compared with 54.8% at December 31, 1999 due to the change in retained earnings that was brought about by the loss from discontinued operations and the repurchase of the Company's common stock.

The Company's primary line of credit is a $30.0 million revolving note payable to a bank. The Company also has a $4.75 million term note under the same debt agreement. Under the terms of the line of credit and term note agreement, the Company is required to maintain certain financial ratios and other financial conditions. The agreement also prohibits the Company from incurring additional indebtedness, limits certain acquisitions, investments, advances or loans and restricts substantial asset sales. At September 30, 2000 the Company was in compliance with all debt covenants.

The Company also has an unsecured line of credit for $1.0 million and secured lines of credit for $0.2 million and $4.3 million. The $4.3 million line, which relates to Carpenter, carries an interest rate of 1/2% above the bank's prime rate (prime rate at September 30, 2000, was 9.5%) and has an expiration date of June 2001. This line of credit is secured by accounts receivable and inventory. Borrowings under this line totaled $4.0 million at September 30, 2000. It is anticipated that this line of credit will be paid down as Carpenter's assets are liquidated. The $0.2 million line carries an interest rate of 2% above the bank's prime rate and has an expiration date of June 1, 2001. This line of credit is secured by accounts receivable, inventory and equipment. There were no borrowings on this line at September 30, 2000. The $1.0 million line carries an interest rate of 1% above the bank's prime rate and expires only if there is a change in management. There were no borrowings on the $1.0 million line at September 30, 2000. The Company believes it has sufficient resources from cash flows from operating activities and, if necessary, from additional borrowings under its lines of credit to satisfy ongoing cash requirements for the next 12 months, including an estimated $3.1 million of Carpenter liabilities guaranteed by the Company.

EFFECT OF INFLATION

Inflation affects the Company in two principal ways. First, the Company's debt is tied to the prime and LIBOR rates so that increases affecting interest rates may be translated into additional interest expense. Second, general inflation impacts prices paid for labor, parts and supplies. Whenever possible, the Company attempts to cover increased costs of production and capital by adjusting the prices of its products. However, the Company generally does not attempt to negotiate inflation-based price adjustment provisions into its contracts. Since order lead times can be as much as six months, the Company has limited ability to pass on cost increases to its customers on a short-term basis. In addition, the markets served by the Company are competitive in nature, and competition limits the pass through of cost increases in many cases. The Company strives to minimize the effect of inflation through cost reductions and improved productivity.

FORWARD-LOOKING STATEMENTS

This Form 10-Q contains statements that are not historical facts. These statements are called "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements involve important known and unknown risks, uncertainties and other factors and can be identified by phrases using "estimate," "anticipate," "believe," "project," "expect," " intend," "predict," "potential," "future," "may," "should" and similar expressions or words. Our future results, performance or achievements may differ materially from the results, performance or achievements discussed in the forward-looking statements. There are numerous factors that could cause actual results to differ materially from the results discussed in forward-looking statements, including:

- Changes in existing products liability, tort or warranty laws or the introduction of new laws, regulations or policies that could affect our business practices: these laws, regulations or policies could impact our industry as a whole, or could impact only those portions in which we are currently active, for example, laws regulating the design or manufacture of emergency vehicles or regulations issued by the National Fire Protection Association; in either case, our profitability could be injured due to a industry-wide market decline or due to our inability to compete with other companies that are unaffected by these laws, regulations or policies.

- Changes in environmental regulations: these regulations could have a negative impact on our earnings; for example, laws mandating greater fuel efficiency could increase our research and development costs.

- Changes in economic conditions, including changes in interest rates, financial market performance and the industry: these types of changes can impact the economy in general, resulting in a downward trend that impacts not only our business, but all companies with which we compete; or, the changes can impact only those parts of the economy upon which we rely in a unique fashion, including, by way of example:

  - Factors that impact our attempts to expand internationally, such as the introduction of trade barriers in the United States or abroad.

- Factors that we have discussed in previous public reports and other documents filed with the Securities and Exchange Commission.

This list provides examples of factors that could affect the results described by forward-looking statements contained in this Form 10-Q. However, this list is not intended to be exhaustive; many other factors could impact our business and it is impossible to predict with any accuracy which factors could result in which negative impacts. Although we believe that the forward-looking statements contained in this Form 10-Q are reasonable, we cannot provide you with any guarantee that the anticipated results will be achieved. All forward-looking statements in this Form 10-Q are expressly qualified in their entirety by the cautionary statements contained in this section and you are cautioned not to place undue reliance on the forward-looking statements contained in this Form 10-Q. In addition to the risks listed above, other risks may arise in the future, and we disclaim any obligation to update information contained in any forward-looking statement.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The Company's primary market risk exposure is a change in interest rates in connection with its outstanding variable rate short-term and long-term debt. Due to variable interest rates on the Company's short-term and long-term debt, an increase in interest rates of 1% could result in the Company incurring an additional $0.3 million in annual interest expense. Conversely, a decrease in interest rates of 1% could result in the Company saving $0.3 million in annual interest expense. The Company does not expect such market risk exposure to have a material adverse effect on the Company. The Company does not enter into market risk sensitive instruments for trading purposes.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits. The following documents are filed as exhibits to this report on Form 10-Q:

Exhibit No.	Document
3.1	Spartan Motors, Inc. Restated Articles of Incorporation. Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1996, and incorporated herein by reference.
3.2	Spartan Motors, Inc. Bylaws (restated to reflect all amendments). Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the period ended December 31, 1995, and incorporated herein by reference.
27	Financial Data Schedule.

(b) Reports on Form 8-K. During the third quarter ended September 30, 2000, the Company did not file any current reports on Form 8-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Spartan Motors, Inc. has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 14, 2000

SPARTAN MOTORS, INC.

By /s/ Richard J. Schalter

Richard J. Schalter
Secretary/Treasurer
(Principal Accounting and Financial Officer)

EXHIBIT INDEX

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27	Financial Data Schedule.

<ARTICLE> 5
<LEGEND> THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROMTHE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SPARTAN MOTORS, INC. AND SUBSIDIARIES FOR THE PERIOD ENDED SEPTEMBER 30, 2000, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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