

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

Senate Bill 1011

(Cecil County Senators)

Judicial Proceedings

Rules and Executive Nominations

Cecil County - School Buses - Length of Operation

This bill allows conventional school buses in Cecil County to operate for 15 years, subject to specified requirements.

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: Any reduction in the number of school buses the Maryland State Department of Education (MSDE) must approve for use each year will not materially affect State finances.

Local Effect: The Cecil County Board of Education will realize a reduction in student transportation expenditures of approximately \$267,100 in FY 2014 and \$44,500 in FY 2015. These savings will be partially offset by increased maintenance costs.

Small Business Effect: Minimal. It is assumed that school bus contractors will pass on any savings associated with reducing new school bus purchases to the Cecil County Public Schools.

Analysis

Current Law: Unless it fails to meet applicable safety standards, a conventional school bus may be operated for up to 12 years, except in Calvert, Caroline, Charles, Dorchester, St. Mary's, Somerset, Talbot, Wicomico, and Worcester counties, where it may be operated for up to 15 years, if it meets applicable safety standards and maintenance standards described below.

Conventional school buses may be operated beyond the 12-year limit if (1) the State Superintendent of Schools grants approval; (2) the bus is maintained under a preventive maintenance plan that is approved by the Motor Vehicle Administration (MVA) and the Department of State Police and includes a twelfth year inspection and subsequent semi-annual inspections; (3) any structural repairs to the bus meet or exceed the manufacturer's original manufacturing standards, as certified by an independent expert approved by MVA; and (4) the bus is properly equipped with specified safety features.

Background: Cecil County has 167 school buses, of which 155 are contractor operated and 12 are owned by the county. In fiscal 2012, the county spent \$9.4 million on student transportation, or an estimated \$599 per rider. Statewide, local school systems spent an average of \$773 per rider in fiscal 2012, or \$174 more per rider than in Cecil County; spending per rider for 20 counties was above that for Cecil County.

MSDE oversees approval of waivers from the 12-year limitation on the duration of school bus operation. MSDE granted 11 waivers for Cecil County for the 2012-2013 school year. Cecil County Public Schools (CCPS) advises that it uses the buses that are over 12 years old as spare buses, not for regular school routes, and would continue to do so under the bill.

Local Fiscal Effect: CCPS administrative and inspection expenditures may decrease minimally beginning in fiscal 2014. CCPS reports that it anticipates a savings of approximately \$267,100 in fiscal 2014 and \$44,500 in fiscal 2015 by extending the life of a school bus from 12 to 15 years. This estimate is based on the payment structure that CCPS uses to pay its school bus contractors and the assumption that 12 buses will not have to be replaced in fiscal 2014 and 2 buses will not have to be replaced in fiscal 2015. Because maintenance costs tend to be higher for older buses, these costs may increase minimally.

Small Business Effect: Private student transportation contractors working in Cecil County may operate a school bus for three additional years without obtaining approval from the State Superintendent of Schools. To the extent that contractors serving Cecil County will defer purchasing new school buses under the bill, costs for those contractors are reduced. However, it is expected that most of the savings will be passed on to CCPS through lower contract costs.

Additional Information

Prior Introductions: None.

Cross File: HB 1171 (Cecil County Delegation) - Environmental Matters.

Information Source(s): Cecil County, Maryland State Department of Education, Department of State Police, Maryland Department of Transportation, Department of Legislative Services

Fiscal Note History: First Reader - March 11, 2013
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