

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 833 (Delegate Proctor, et al.)
Ways and Means

School Buses - Advertisements and Public Service Messages

This bill authorizes the placement of advertisements and public service messages on the exterior of any school bus under the jurisdiction of a county board of education. The State Superintendent is required to establish guidelines and standards. County boards are authorized to charge a fee which must be used to defray the cost of providing transportation services.

Fiscal Summary

State Effect: None. Any additional workload resulting from developing guidelines or inspecting school buses could be handled with existing resources.

Local Effect: Potential increase in local revenues. Local expenditures are not affected.

Fiscal Analysis

Local Effect: The number of school buses statewide totaled 5,725 in fiscal 1994, of which 2,881 were publicly owned and 2,844 were under private contract. Student transportation costs totaled \$254.7 million in fiscal 1994, with State aid covering 35% (\$90.2 million) of these expenditures. Exhibit 1 provides a county-by-county breakdown of student transportation costs for fiscal 1994.

Assuming county boards of education place advertisements and public service messages on school buses, local revenues for student transportation services could increase. Any potential revenue increase would depend upon the fee structure in each jurisdiction.

For illustrative purposes only, local revenues could increase by approximately \$5.7 million annually if local boards impose a \$1,000 fee for each bus. This additional revenue represents around 2% of total student transportation costs. This estimate is based on the Mass Transit

Administration's (MTA) advertisement revenues for fiscal 1997. MTA awards an annual advertisement contract for their entire fleet of 850 buses. In fiscal 1997, this contract totals \$850,000 or \$1,000 per bus (includes both interior and exterior advertisements).

Information Source(s): Department of Fiscal Services, Maryland Association of Boards of Education, Maryland State Department of Education, Department of Transportation

Fiscal Note History: First Reader - February 12, 1996

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