

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 1240 (Delegate Marriott. *et al.*)

Ways and Means

Education - School Bus Contractors - Transportation of Handicapped Children

This bill requires a local board of education to award contracts for transporting disabled children to at least the two lowest responsible bidders. A local board of education cannot award the school bus route contracts to a single prime contractor.

This bill takes effect July 1, 1998.

Fiscal Summary

State Effect: None.

Local Effect: Indeterminate impact on local school expenditures. Revenues would not be affected.

Small Business Effect: Meaningful.

Fiscal Analysis

Local Expenditures: Student transportation expenditures in fiscal 1996 totaled \$275.5 million or \$478 per student served. Of this amount, \$121 million went to private contractors. The total amount spent on transporting disabled children is not known. In Anne Arundel County, 52 private school bus contractors received \$2.9 million to transport disabled students, which accounts for 40% of the funds used to transport disabled students. In Baltimore City, the school system currently contracts with 21 school bus contractors for the transportation of special education students under a five-year agreement that expires August 31, 2000.

Awarding a school bus contract to a contractor without the lowest bid could increase local school expenditures. In cases where a local school system awards one contract for

transporting disabled students, local school expenditures may decrease to the extent that awarding multiple contracts encourages smaller companies to compete on the bid. The actual impact on local school expenditures cannot be determined at this time.

Small Business Effect: Private contractors provide student transportation services in all 24 school districts in the State. In 19 counties, private contractors operate a majority of school vehicles. In fiscal 1996, there were approximately 3,000 privately-owned school vehicles under contract statewide. A large segment of these private school vehicles are either owned and operated by individuals or by small transportation companies. This bill may enable more individuals to receive school transportation contracts; however, it may also reduce the profits for existing companies with school contracts.

Information Source(s): Department of Legislative Services, Maryland State Department of Education, Maryland Association of Boards of Education, Baltimore City Schools, Anne Arundel County Schools

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Analysis by: Hiram L. Burch, Jr.

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710