

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

Senate Bill 106 (Chairman, Budget and Taxation Committee)
(Departmental - Education)

Budget and Taxation

Education - Grants for Transportation Services for Public School Students

This departmental bill corrects an obsolete reference pertaining to the State student transportation formula by replacing the reference to the Baltimore metropolitan area, which no longer exists, with a reference to the Washington-Baltimore metropolitan area.

This bill takes effect July 1, 2000.

Fiscal Summary

State Effect: State funding for student transportation services for local school systems would not be directly affected.

Local Effect: None.

Small Business Effect: The Maryland State Department of Education has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: State student transportation aid is based on each county's allocation in the previous year increased by the lesser of 8% or the change in the Consumer Price Index (CPI) for private transportation in the Baltimore metropolitan area for the second preceding fiscal year. Each school system, however, is guaranteed a minimum 3% increase. In addition, local school systems receive an additional grant to reflect enrollment growth. The add-on grant is

calculated by multiplying the increase in student enrollment by the per student transportation grant amount in the previous year.

Background: The State uses information from the CPI for the Baltimore metropolitan area to calculate the student transportation formula. In 1998, for statistical purposes, the U.S. Bureau of Labor Statistics combined Baltimore and Washington, D.C. into one metropolitan area. Accordingly, CPI data currently used to calculate the formula is no longer available. This bill rectifies this situation by basing the formula on CPI data for the Washington-Baltimore metropolitan area. In addition, the formula which previously used data from the second preceding year is being changed to use data from the first preceding year.

In recent years due to the low inflation rate in the CPI index for private transportation, the student transportation formula has increased by the minimum 3% amount adjusted for the student population add-on grant.

Additional Comments: State student transportation funding for local school systems totals \$117 million in fiscal 2001, representing a \$4.7 million or 4.2% increase over fiscal 2000. In addition, local school systems receive \$5.6 million to transport disabled students. State student transportation aid covers approximately 35% of total local expenditures for student transportation services. In fiscal 1998 local school systems spent approximately \$300 million for student transportation services, including the cost for fixed charges and equipment.

Approximately 6,400 school vehicles are used to transport public school students in Maryland; about 54% are publically owned and 46% are operated by private contractors. Nearly 73% of the State's public school students receive transportation services. Four local school systems (Baltimore, Frederick, Montgomery, and Prince George's counties) use mostly publicly owned school vehicles. Washington County use of publicly owned and private contractors is evenly split, whereas the remaining local school systems use mostly private contractors.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Department of Education, Department of Legislative Services

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