

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 544 (Washington County Delegation)
Ways and Means

Washington County - School Buses - Length of Operation

This bill extends the length of time from 12 to 15 years that a conventional school bus may remain in operation in Washington County.

The bill takes effect July 1, 2004 and terminates on June 30, 2006.

Fiscal Summary

State Effect: None.

Local Effect: The Washington County Board of Education could realize a reduction in student transportation expenditures by deferring the purchase of new school buses and enabling private contractors to defer purchasing new school buses for two additional years. However, the savings would be partially offset by an increase in vehicle operating expenses from higher maintenance and fuel costs.

Small Business Effect: Meaningful.

Analysis

Current Law: Unless it fails to meet safety standards, a conventional school bus may be operated for up to 12 years. A school bus may be operated for more than 12 years 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 that includes semiannual 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 the MVA; and (4) the bus is

properly equipped with specified safety features. In Somerset, Wicomico, and Worcester counties, a conventional school bus may be operated for up to 15 years until June 30, 2006.

Background: Approximately 155 school vehicles are used to transport 17,000 public school students in Washington County. The local school system owns and operates 92 or 59% of the school vehicles, and private contractors own and operate 63 or 41% of the vehicles. Student transportation expenditures in the county total approximately \$6.5 million.

In general, the Maryland State Department of Education does not allow school buses that are more than 14 years old to be used to transport students. During the 2003-2004 school year, the State Superintendent granted 314 school bus waivers. This represents less than 5% of the total number of school buses used to transport public school students in Maryland. Most of the waivers allowed a school bus to be operated for one additional year. Only 18 school buses in operation are over 14 years old. **Exhibit 1** shows the number of school bus waivers granted over the last four years.

Chapter 420 of 2003 authorized conventional school buses in Somerset, Wicomico, and Worcester counties to be operated for up to 15 years until June 30, 2006.

Local Fiscal Effect: Pursuant to this bill, the Washington County Public School System could operate conventional school buses for 15 years unless they do not meet applicable safety standards, without obtaining approval from the State Superintendent and conducting certain safety and maintenance inspections. During the 2003-2004 school year, Washington County received a waiver that allowed eight school vehicles to be used for an additional year. This represents approximately 5% of the total number of school vehicles used in the county. The bill would allow those eight vehicles to remain in operation for two more years as well as any other vehicles that will be more than 12 years old in the next two years without meeting the waiver requirements.

The local school system and its private contractors could realize a reduction in student transportation expenditures by deferring the purchase of new school buses for two additional years due to the bill's termination date. A school bus costs in the range of \$54,250 to \$75,000, depending upon the specifications. These savings would be passed along to the local school system through lower contract prices.

Small Business Effect: Private contractors operate 63 school vehicles to transport public school students in Washington County. Pursuant to this bill, private contractors working for Washington County can operate a conventional school bus for two additional years without obtaining approval from the State Superintendent of Schools, participating in a preventive maintenance plan, or meeting certain safety and certification requirements.

This will enable private contractors to delay the purchase of new school buses while continuing to operate older school buses. The cost to purchase a new school bus can range from \$54,250 to \$75,000, depending upon the specifications.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Washington County, Department of Legislative Services

Fiscal Note History: First Reader - February 26, 2004
lc/ljm

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Exhibit 1
Student Transportation – Number of School Bus Waivers

	2000 - 2001 School Year			2001 - 2002 School Year			2002 - 2003 School Year				2003 - 2004 School Year		
	<u>13th</u>	<u>14th</u>	<u>15th</u>	<u>13th</u>	<u>14th</u>	<u>15th</u>	<u>13th</u>	<u>14th</u>	<u>15th</u>	<u>16th</u>	<u>13th</u>	<u>14th</u>	<u>15th</u>
Baltimore City	54	41	0	99	62	0	0	0	0	0	0	0	0
Baltimore	0	0	0	29	0	0	35	0	0	0	14	0	0
Calvert	3	0	0	7	2	0	8	4	1	0	6	7	1
Cecil	0	0	0	5	1	0	3	2	0	0	5	0	0
Charles	3	0	0	1	0	0	3	0	0	0	0	0	0
Dorchester	4	0	0	4	3	0	2	3	1	0	1	2	1
Frederick	18	18	0	16	18	1	19	16	0	0	31	16	0
Kent	2	0	0	2	1	0	2	0	0	0	1	1	0
Montgomery	0	118	8	9	0	34	47	5	0	0	26	44	8
Prince George's	71	14	0	13	56	0	94	0	0	0	111	0	0
St. Mary's	2	0	0	9	1	0	10	8	1	0	18	5	8
Somerset	1	0	0	3	0	1	1	2	0	1	0	0	0
Washington	0	0	0	0	0	0	0	0	0	0	8	0	0
Total	158	191	8	197	144	36	224	40	3	1	221	75	18
Total Buses Annually	357 Buses			377 Buses			268 Buses				314 Buses		

Source: Maryland State Department of Education, February 2004