

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

House Bill 437

(Delegate Bozman, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

Somerset, Wicomico, and Worcester Counties - School Buses - Length of
Operation - Sunset Extension

This bill extends the termination date on Somerset, Wicomico, and Worcester counties' exemption from the requirement that conventional school buses more than 12 years old meet specific standards and be approved for use by the State Superintendent of Schools. The bill would allow conventional school buses in these three counties to operate for 15 years before these requirements apply. The extension on the termination date is from June 30, 2006 to June 30, 2011.

The bill takes effect July 1, 2006.

Fiscal Summary

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

Local Effect: Local school system expenditures in Somerset, Wicomico, and Worcester counties could decrease due to a reduction in contractual student transportation costs.

Small Business Effect: Minimal.

Analysis

Current Law: Unless it fails to meet safety standards, a conventional school bus may be operated for up to 12 years, except in Somerset, Wicomico, and Worcester counties

where it may be operated for up to 15 years. The additional three-year exemption period for these counties is due to expire June 30, 2006.

Conventional school buses may be operated beyond the 12- and 15-year limits 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 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.

Background: Somerset, Wicomico, and Worcester counties contract for student transportation services. In fiscal 2003, the counties spent a total of \$10.7 million on student transportation, or an estimated \$526 per rider. Statewide, counties spent an average of \$577 per rider in fiscal 2003. The combined fiscal 2006 board of education budgets for the counties include \$12.5 million for student transportation: \$2.2 million in Somerset County, \$6.3 million in Wicomico County, and \$4.1 million in Worcester County. Budgeted student transportation expenditures make up approximately 8% of the school system's fiscal 2006 operating budget in Somerset County and 6% of the school systems' fiscal 2006 operating budgets in Wicomico and Worcester counties.

Chapter 420 of 2003 (HB 356) initially established the three-year extension period for school buses operated in Somerset, Wicomico, and Worcester counties.

Local Expenditures: Private contractors in the affected counties could realize savings by deferring purchases of new school buses, which cost approximately \$75,000 each. These savings could result in reduced student transportation costs in Somerset, Wicomico, and Worcester counties if the savings are passed on to local school systems through lower contract prices.

Small Business Effect: Private student transportation contractors working for Somerset, Wicomico, and Worcester counties could operate a school bus for three 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 would enable private contractors to delay the purchase of new school buses. It is assumed, however, that any reduction in costs for the contractors would be at least partially offset by a decrease in the contracts paid by the Somerset, Wicomico, and Worcester county public school systems.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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Analysis by: Mark W. Collins

Direct Inquiries to:
(410) 946-5510
(301) 970-5510