

Department of Legislative Services  
Maryland General Assembly  
2008 Session

FISCAL AND POLICY NOTE

House Bill 1005

(Delegate Conway, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

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Somerset County, Wicomico County, and Worcester County - School Buses -  
Length of Operation - Sunset Repeal

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This bill repeals the June 30, 2011 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 bill takes effect July 1, 2008.

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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 beginning in FY 2012.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** Unless it fails to meet applicable 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. Chapter 420 of 2003 first granted the additional three-year exemption period for these counties, subject to termination on June 30, 2006. Chapter 576 of 2006 extended the exemption until June 30, 2011.

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 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 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 2007, the three counties spent a total of \$13.0 million on student transportation, or an estimated \$594 per rider. Statewide, counties spent an average of \$822 per rider in fiscal 2007, a difference of \$228 per rider. In fiscal 2003, when the exemption was first granted, the gap between per pupil transportation costs in the three affected counties and the rest of the State was \$51.

For fiscal 2008, budgeted student transportation expenditures make up approximately 7% of the school system's operating budget in Somerset County, 6% in Worcester County, and 4% in Wicomico County.

The Maryland State Department of Education advises that in the current school year, six counties received waivers from the State Superintendent of Schools to operate school buses for 15 years, and three counties received temporary waivers pending the late delivery of new buses (which have since been delivered).

**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, beginning in fiscal 2012, 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 continue to 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.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 21, 2008  
mll/mwc

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