

**Department of Legislative Services**

Maryland General Assembly

2008 Session

**FISCAL AND POLICY NOTE**

House Bill 1455

(Delegate Eckardt, *et al.*)

Ways and Means

Education, Health, and Environmental Affairs

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**Dorchester County - School Buses - Length of Operation**

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This bill exempts Dorchester County 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 Dorchester County to operate for 15 years before these requirements apply.

The bill takes effect July 1, 2008 and terminates June 30, 2011.

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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 Dorchester County could decrease due to a reduction in contractual student transportation costs beginning in FY 2009.

**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:** Dorchester County contracts for most student transportation services. In fiscal 2007, the county spent \$2.9 million on student transportation, or an estimated \$661 per rider. Statewide, counties spent an average of \$822 per rider in fiscal 2007, a difference of \$161 per rider.

For fiscal 2008, budgeted student transportation expenditures make up 6.4% of the Dorchester County Public School's operating budget.

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 Dorchester County 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 Dorchester County, beginning in fiscal 2009, if the savings are passed on to local school systems through lower contract prices. Such savings have been observed in Somerset, Wicomico, and Worcester counties since they received statutory exemptions from the 12-year rule in 2003. In those counties, per-pupil transportation expenditures have grown at a significantly slower pace than statewide per-pupil transportation costs.

**Small Business Effect:** Private student transportation contractors working for Dorchester County 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 Dorchester County public school system.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 931 (Senator Colburn) – Education, Health, and Environmental Affairs.

**Information Source(s):** Dorchester County, Maryland Association of Boards of Education, Maryland State Department of Education, Department of Legislative Services

**Fiscal Note History:** First Reader - March 14, 2008  
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