

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 298 (Delegate Conaway)
Ways and Means

**Baltimore City Board of School Commissioners - System of Public School Buses
Required**

This bill requires the Baltimore City Public Schools (BCPS) to establish or contract for a system of public school buses to provide transportation for all public school and disabled students in the city and restricts the use of State pupil transportation grants to that purpose. It bars BCPS from using mass transit to provide student transportation to and from public schools.

Fiscal Summary

State Effect: None. The bill does not alter the amount of State pupil transportation aid provided to BCPS.

Local Effect: Local expenditures for an additional 200 buses to transport middle and high school students increase by approximately \$5.3 million in fiscal 2009, assuming BCPS secures a bus contractor capable of operating bus routes at an affordable cost. Local cost increases could be considerably higher if BCPS purchases and maintains a new fleet of buses. **The bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Current Law: Chapter 288 of 2002 (the Bridge to Excellence in Public Schools Act) established baseline State pupil transportation grants to local school systems for fiscal 2004. Those rates were subject to annual inflators based on the Consumer Price

Index for all urban consumers in the Washington/Baltimore area and student enrollment growth. The annual inflator used in the formula must be at least 3%, but not more than 8%.

Local school systems must provide or arrange transportation for every disabled child enrolled in public, State-run, or nonpublic schools. Unless disabled students are placed in a nonresident school without the local school system's knowledge, local school systems are responsible for the cost of transporting disabled students placed in schools located outside their resident county or the State. To help defray a portion of transportation costs for disabled students, a separate State grant provides \$1,000 to local school systems for every disabled student requiring special transportation services.

Background: BCPS maintains a fleet of 280 school buses, all but 35 of which are contracted with bus service companies, to transport about 3,600 disabled students and about 4,500 elementary school students who live outside the one-mile walk radius. The total annual operating expense for the fleet is approximately \$15.5 million. Although disabled students account for only 13% of total BCPS students riding buses to school, they represent 88% of total bus miles traveled.

BCPS furnishes 23,000 middle and high school students who live outside a 1.5-mile walk radius with monthly ticket books that allow them to ride Maryland Transit Administration (MTA) buses to and from school. The daily round trip fare is \$2.20 for each student, resulting in an annual allocation of approximately \$5.8 million. State transportation grant funds pay for \$3.6 million of that amount. BCPS estimates that MTA supplements its normal bus service with 200 additional buses to accommodate BCPS students.

The remainder of the BCPS \$32 million transportation operating budget is for athletic events, field trips, and other services managed by the transportation director but unrelated to pupil transportation.

Based on the Bridge to Excellence pupil transportation formulas, BCPS receives \$17.1 million in pupil transportation funding from the State in fiscal 2008, which represents about 46% of total budgeted transportation costs for the school system. The proposed fiscal 2009 State budget includes a student transportation grant for BCPS of \$17.2 million.

A string of violent incidents on MTA buses involving BCPS students in December 2007 raised public concern regarding student safety and the security of MTA buses.

Local Fiscal Effect: Based on the number of MTA buses currently used to transport middle and high school students, BCPS estimates that it would need to add 200 school

buses to its fleet. Consolidating bus routes to achieve efficiencies would not be an option because the current fleet transports elementary school students and the new fleet would be used to transport secondary school students.

BCPS estimates the net cost of adding 200 buses to its fleet to be \$10 million. DLS disagrees with this estimate. The school system currently operates a fleet of 280 buses for \$15.5 million, or \$55,400 per bus, and those buses cover almost 90% of bus miles traveled by BCPS students. Therefore, 200 new buses should cost at most about \$11.1 million to operate. After subtracting the \$5.8 million that the system would no longer be paying to MTA, the net increase would be about \$5.3 million. This figure is not adjusted for the bill's October 1, 2008 start date because it is assumed that new bus service contracts would run for the whole school year beginning in September to minimize disruption for students and parents.

This estimate also assumes that the school system is able to continue its practice of contracting for bus service instead of purchasing and maintaining its own fleet. BCPS advises that it has had trouble in recent years finding school bus contractors capable of operating school bus routes at an acceptable cost. If it were not able to secure an affordable vendor and the school system was forced to purchase and maintain the new fleet, local costs could be considerably higher.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 5, 2008
mcp/mwc

Analysis by: Michael C. Rubenstein

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