

Department of Legislative Services  
Maryland General Assembly  
2009 Session

FISCAL AND POLICY NOTE

House Bill 110  
Ways and Means

(Delegate Eckardt, *et al.*)

Education, Health, and Environmental Affairs

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Dorchester County - School Bus Length of Operation - Sunset Repeal

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This bill repeals the termination date on Dorchester County's 3-year extension, from 12 to 15 years, on the length of operation of school buses. Under current law, the extension expires 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 will not materially affect State finances.

**Local Effect:** The Dorchester County Board of Education will realize a reduction in expenditures of approximately \$46,800 annually beginning in FY 2012 due to a reduction in contractual student transportation costs.

**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 Dorchester, Somerset, Wicomico, and Worcester counties where it may be operated for up to 15 years. The additional 3-year exemption period for Dorchester County is subject to termination on 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

(MVA) and the Department of State Police and includes semi-annual 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; of its fleet of 66 buses, 10 are owned by the public school system and 56 by private contractors. In fiscal 2007, the county spent \$2.9 million on student transportation, or an estimated \$663 per rider. Statewide, counties spent an average of \$867 per rider in fiscal 2007, a difference of \$204 per rider. For fiscal 2009, budgeted student transportation expenditures in Dorchester County total \$3.1 million, accounting for 6.3% of the public school system's operating budget.

The Maryland State Department of Education (MSDE) grants waivers to the 12-year limitation on the duration of school bus operation. **Exhibit 1** shows the number of buses for which MSDE approved waivers in fiscal 2007, 2008, and 2009, by county. MSDE advises that older school buses do not have the most up-to-date safety features and do not meet new diesel emissions standards.

**Local Fiscal Effect:** Dorchester County advises that it will save approximately \$46,800 annually, beginning in fiscal 2012. The annual payment to contractors for a bus placed in service in 1997 is \$7,700, while the annual payment for a new bus placed in service this year would be \$15,500, or a difference of \$7,800 per bus. The bill will allow the county to forgo, on average, the replacement of six buses per year. 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:** Minimal. Private student transportation contractors working for Dorchester County can 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 will enable private contractors to delay the purchase of new school buses. However, any reduction in costs for the contractors will be at least partially offset by a decrease in the contracts paid by the Dorchester County Public School System.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 1, 2009  
ncs/mwc

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Analysis by: Scott P. Gates

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

**Exhibit 1**  
**Student Transportation – Number of School Bus Waivers by School Year**

County	2007			2008			2009		
	13th	14th	15th	13th	14th	15th	13th	14th	15th
Allegany	0	0	0	0	0	0	0	0	0
Anne Arundel	0	0	0	0	0	0	0	0	0
Baltimore City	0	0	0	0	0	0	0	0	0
Baltimore	0	0	0	40	0	0	0	0	0
Calvert	18	9	0	18	11	0	11	15	0
Caroline	0	0	0	1	0	0	3	1	0
Carroll	0	0	0	0	0	0	0	0	0
Cecil	10	1	1	4	5	0	5	1	3
Charles	0	1	0	0	0	0	0	0	0
Dorchester	3	1	0	4	2	0	0	0	0
Frederick	20	11	5	39	10	2	29	31	4
Garrett	0	0	0	0	0	0	0	0	0
Harford	0	0	0	0	0	0	0	0	0
Howard	0	0	0	0	0	0	0	0	0
Kent	2	0	0	0	0	0	0	0	0
Montgomery	77	13	0	24	77	9	0	0	0
Prince George's	0	0	0	0	0	0	0	0	0
Queen Anne's	0	0	0	0	0	0	0	0	0
St. Mary's	16	8	12	22	10	8	20	14	18
Somerset	0	0	0	0	0	0	0	0	0
Talbot	0	0	0	4	0	0	0	0	0
Washington	0	0	0	0	0	0	0	0	0
Wicomico	0	0	0	0	0	0	0	0	0
Worcester	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>146</b>	<b>44</b>	<b>18</b>	<b>156</b>	<b>115</b>	<b>19</b>	<b>68</b>	<b>62</b>	<b>25</b>
<b>Total Annually</b>		<b>208</b>			<b>290</b>			<b>155</b>	

Source: Maryland State Department of Education

