

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 486

(Delegate Conway, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

Education - School Buses - Inspections and Length of Operation

This bill specifies that a school bus operating beyond the standard 12-year limitation as allowed in specified counties (Caroline, Dorchester, Somerset, Talbot, Wicomico, and Worcester counties) does not have to be reinspected if ownership has been transferred to one of the six counties and the bus has already passed a required inspection. A required inspection of the school bus is valid in the sending and receiving counties.

The bill also repeals the June 30, 2011 termination date on the three-year extension, from 12 to 15 years, on the length of time that a conventional school bus may remain in operation in Somerset, Wicomico, and Worcester counties.

The bill takes effect July 1, 2011.

Fiscal Summary

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

Local Effect: Local school system expenditures for school bus inspection in Caroline, Dorchester, Somerset, Talbot, Wicomico, and Worcester counties may decrease minimally beginning in FY 2012. Local school system expenditures in the affected counties may decrease beginning in FY 2012 due to a reduction in student transportation contract costs.

Small Business Effect: Minimal. It is assumed that affected school bus contractors will pass on some of the cost savings associated with fewer school bus inspections and the purchase of fewer new buses to the local school systems.

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 Caroline, Dorchester, Somerset, Talbot, Wicomico, and Worcester counties where it may be operated for up to 15 years. The additional three-year exemption period for Somerset, Wicomico, and Worcester counties 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: The Maryland State Department of Education reports that Somerset, Wicomico, and Worcester counties allow contractors to buy used buses from other jurisdictions and that the local boards of education set the parameters for all bus usage and inspection. In Somerset County, a contractor may buy a bus up to six years old; in Worcester County, a contractor may buy a bus up to five years old; and in Wicomico County, a contractor may buy a bus up to 10 years old. In all cases, the contractor may operate a used bus as either a regular route bus or as a spare bus.

If a contractor buys a bus older than 13 years old, according to local board policies, the bus may only be used as a spare bus and local board and MVA policies require the completion of an MVA School Vehicle Acceptance Sheet to determine its acceptance into the fleet. In addition, local board policies require a contractor to have an MVA-certified Type A inspection complete by a certified station within the county. This bill would preempt the local policies and would require local boards to accept out-of-county inspections as valid.

Chapter 420 of 2003 initially established the three-year extension period for school buses operated in Somerset, Wicomico, and Worcester counties. Chapter 576 of 2006 extended the extension date to June 30, 2011. The three-year extension period is not subject to termination in Caroline, Dorchester, and Talbot counties. Somerset, Wicomico, and Worcester counties contract for student transportation services. In

fiscal 2009, the counties spent a total of \$16.2 million on student transportation, or an estimated \$705 per rider. Statewide, counties spent an average of \$634 per rider in fiscal 2009.

All the school buses in Talbot County are publicly owned, while in Caroline and Dorchester counties school buses are both publicly owned and contract operated.

Local Expenditures: This bill requires Caroline, Dorchester, Somerset, Talbot, Wicomico, and Worcester counties to recognize out-of-county inspections of school buses when buses are purchased or transferred from other counties. These counties, therefore, will not need to obtain an additional inspection in order to operate the bus, which will result in cost savings of \$200 to \$300 per transferred bus. These savings may result in a minimal reduction in student transportation costs in the affected counties.

Making the three-year extension on school bus use permanent for Somerset, Wicomico, and Worcester counties will also impact student transportation costs. Private contractors in the counties may realize savings by deferring purchases of new school buses, which cost approximately \$80,000 each. These savings may result in reduced student transportation costs in affected counties if the savings are passed on to local school systems through lower contract prices.

Small Business Effect: Private student transportation contractors working for Caroline, Dorchester, Somerset, Talbot, Wicomico, and Worcester counties may operate a school bus purchased from another county that passed its inspections for the length of time that the inspection would have been valid in the county where the inspection was completed. Therefore, private contractors will not need to pay \$200 to \$300 for an additional inspection in order to operate the bus, which may result in some cost savings.

Private student transportation contractors working for Somerset, Wicomico, and Worcester counties may 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.

It is assumed that any reduction in costs for the contractors will be at least partially offset by a decrease in the contracts paid by the affected public school systems.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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