

Department of Legislative Services
2012 Session

FISCAL AND POLICY NOTE

House Bill 245

(Charles County Delegation)

Environmental Matters

Education, Health, and Environmental Affairs

Charles County - School Buses - Length of Operation

This bill exempts Charles 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 allows conventional school buses in Charles County to operate for 15 years before these requirements apply.

The bill takes effect July 1, 2012.

Fiscal Summary

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

Local Effect: The Charles County Board of Education will realize a reduction in student transportation expenditures of approximately \$754,000 annually beginning in FY 2013 by delaying new school bus purchases. The savings will be partially offset by higher maintenance costs.

Small Business Effect: Minimal. It is assumed that school bus contractors will pass on any savings associated with reducing inspection and administrative costs to the Charles County Public School System.

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.

Conventional school buses may be operated beyond the 12-year limit 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 a 12-year inspection and subsequent 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: Charles County uses 272 school buses, all of which are contract operated. In fiscal 2011, the county spent \$21.7 million on student transportation, or an estimated \$839 per rider. Statewide, local school systems spent an average of \$747 per rider in fiscal 2011, or \$92 less per rider.

MSDE oversees approval of waivers from the 12-year limitation on the duration of school bus operation. MSDE granted two waivers for Charles County for the 2011-2012 school year.

Local Fiscal Effect: Charles County Public School System expenditures decrease due to a reduction in student transportation contract costs beginning in fiscal 2013. The Charles County Public School System reports that it anticipates a savings of approximately \$754,000 annually in fiscal 2013, 2014, and 2015 by extending the life of a school bus from 12 to 15 years. This estimate is based on the payment structure that the Charles County Public School System uses to pay its school bus contractors and the assumption that approximately 25 buses per year will not have to be replaced.

The Charles County Public School System also reports that its administrative and inspection expenditures may decrease minimally beginning in fiscal 2013 because the school system will not have to collect, organize, and submit the inspection documentation required under current law.

Small Business Effect: Private student transportation contractors working in Charles County may operate a school bus for three additional years without obtaining approval from the State Superintendent of Schools, participating in a preventative maintenance plan, or meeting certain safety and certification requirements.

The Charles County Public School System also reports that, under the bill, it anticipates that contractors will defer purchasing new school buses, thus reducing costs. However, it is expected that most of the savings will be passed on to the Charles County Public School System through lower contract costs.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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