

**Department of Legislative Services**  
Maryland General Assembly  
2012 Session

**FISCAL AND POLICY NOTE**

House Bill 1308

(Calvert County Delegation)

Environmental Matters

Education, Health, and Environmental Affairs

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

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

The bill takes effect July 1, 2012.

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**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:** Calvert County Public School System expenditures decrease due to a reduction in student transportation contract costs in FY 2013. Calvert County Public School System inspection and administrative expenditures may decrease minimally beginning in FY 2013. Revenues are not affected.

**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 Calvert County Public School System.

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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 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 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:** Calvert County has 142 school buses, all of which are contractor operated. In fiscal 2011, the county spent \$13.5 million on student transportation, or an estimated \$810 per rider. Statewide, local school systems spent an average of \$747 per rider in fiscal 2011, or \$63 less per rider than in Calvert County.

MSDE oversees approval of waivers from the 12-year limitation on the duration of school bus operation. MSDE granted 27 waivers for Calvert County for the 2011-2012 school year.

**Local Fiscal Effect:** Calvert County Public School System expenditures decrease due to a reduction in student transportation contract costs in fiscal 2013. Calvert County Public School System reports that it anticipates a savings of approximately \$689,000 over 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 Calvert County Public School System uses to pay its school bus contractors and the assumption that 12 buses per year will not have to be replaced.

Calvert 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 Calvert 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.

Calvert 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 Calvert County Public School System through lower contract costs.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland State Department of Education, Maryland Department of Transportation, Calvert County Public School System, Department of Legislative Services

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ncs/mwc

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