

BILL: Senate Bill 574
TITLE: Charles County – Student Bus Transportation Providers – Provider Displacement
HEARING DATE: March 11, 2026
POSITION: UNFAVORABLE
COMMITTEE: Education, Energy, and the Environment
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The Maryland Association of Boards of Education (MABE), representing all the state’s local boards of education, **opposes Senate Bill 574, Charles County – Student Bus Transportation Providers – Provider Displacement**. This bill would mandate the privatization of public services and effectively create a preferred vendor status by restricting a school system’s ability to transition services or pursue new competitive procurement options.

The 24 school districts in Maryland each depend on the ability to make sound fiscal decisions based on local needs. Transportation expenses have increased considerably this decade, and local school districts are best positioned to address budget concerns and to determine the necessary balance between system-operated vehicles and private provider means of transportation.

The needs and uses of public school transportation systems are dynamic, and local boards must be able to adequately address and finance such shifts in their annual budgets. This legislation would mandate contractual renewal guidelines and potentially diminish cost savings by eliminating a competitive bidding process. Although the bill applies only to one county, the precedent it sets regarding the balance between private providers and school system transportation services raises broader concerns for school systems statewide.

Senate Bill 574 also requires that contracts be renewed upon expiration unless a valid reason is provided for non-renewal. This is contrary to good public policy, which generally allows contracts to expire and does not create an additional onus for a school system — a steward of public funds — to justify why a contract should not continue once it expires on its agreed-upon terms. It risks creating a monopoly for private transportation providers at the expense of a school system’s operational flexibility, eliminating the ability of such a system to find something more efficient or cost-effective for transporting students. It runs contrary to standard public procurement practices that rely on competitive bidding and periodic reassessment of contracts.

For these reasons, MABE respectfully requests an unfavorable report on Senate Bill 574.