

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 292

(Senator Bailey)

Education, Energy, and the Environment

Ways and Means

County Boards of Education - Student Transportation - Sunset Repeal and Study

This bill repeals the sunset provisions of Chapters 197 and 198 of 2021, which authorize a county board of education to provide transportation for specified public school students to and from school using a vehicle other than a Type I or Type II school vehicle when a school vehicle cannot reasonably be provided. The bill also requires the Maryland State Department of Education (MSDE) to review regulations relating to transportation of students in a vehicle other than a Type I or Type II school vehicle as specified and report to the Senate Education, Energy, and the Environment Committee and the House Ways and Means Committee by January 1, 2027. Until and unless MSDE adopts regulations regarding student transportation after its review of regulations, the bill authorizes a local board of education to contract with a transportation network company that does not meet the standards currently established by MSDE provided certain conditions are met. **The bill takes effect June 1, 2026.**

Fiscal Summary

State Effect: The bill's requirements can be handled with existing budgeted resources.

Local Effect: Local expenditures for student transportation services may decrease in certain local school systems beyond FY 2026. Revenues are not affected.

Small Business Effect: Potential meaningful. Transportation companies may experience increased business from continued contracting with local school systems to transport students in certain situations beyond FY 2026.

Analysis

Bill Summary: Chapters 197 and 198 also (1) require MSDE to consult with county boards of education and the Motor Vehicle Administration (MVA) to adopt regulations establishing minimum vehicle and driver safety standards for alternate student transportation and (2) broaden the definition of nonpublic school with respect to the transportation of students to mean any elementary or secondary school in the State that is not part of the public elementary and secondary education system.

In reviewing the regulations as required by the bill, MSDE must examine (1) requirements for vehicles other than Type I and Type II school vehicles, including whether they arbitrarily distinguish between different operators of a vehicle, different types of vehicles, and the number of passengers transported; (2) the requirements for the drivers of vehicles other than Type I and Type II school vehicles, including whether they adequately ensure drivers are prepared for transporting public school students; and (3) the regulations adopted by the Public Service Commission (PSC) for transportation network operators and whether the regulations adopted by MSDE can be brought into alignment with those regulations without sacrificing student safety.

Until and unless MSDE adopts regulations governing transport in vehicles other than Type I and Type II school vehicles following its review of regulations implemented following Chapters 197 and 198, the bill provides expanded authorization for local boards of education to contract with transportation network companies. Specifically, a local board may contract with a transportation network company that does not meet the standards established by MSDE to transport not more than two students simultaneously if the transportation network operator (1) meets the standards established by PSC for transportation network company operators; (2) submits to a background check and a fingerprint-based State and national criminal history records check (CHRC); (3) uses a vehicle designed to seat not more than 10 individuals, including the driver; and (4) meets any other requirements established by the local board contracting with the transportation network company.

Current Law: Type I and Type II school vehicles are yellow school buses. Both a Type I and Type II school vehicle must be designed and constructed to carry passengers and meet the same construction and seating space requirements. However, a Type I vehicle must have a gross vehicle weight of 15,000 pounds or more and a Type II vehicle must have a gross vehicle weight of 15,000 pounds or less.

With certain exemptions, MSDE generally requires Type I and Type II school vehicles to be used to transport students to and from school and school related activities when local school system sponsored transportation services are provided. In addition to the exemptions provided through Chapters 197 and 198 (described below), MSDE regulations

allow other vehicles to be used if (1) the vehicle is a taxicab; (2) only one student is transported; or (3) the vehicle used is a commercial motor coach.

Chapters 197 and 198 provide additional authorization to transport students using a vehicle other than a Type I or Type II school vehicle for (1) preschool-age students; (2) students with disabilities; (3) homeless youth; (4) children in foster care; (5) students without access to school buses; (6) students in a nonpublic school placement; or (7) students in dual enrollment programs or work programs or other educational programs based off the school campus. A county board may provide transportation to a different student group, as well, through a written determination by the board. Chapters 197 and 198 terminate July 1, 2026, at which time the students described above are no longer exempt from the general requirement to use Type I and Type II school vehicles to transport students.

MSDE operationalized Chapters 197 and 198 with updates to Maryland regulations relating to “alternative school vehicles” in COMAR 13A.06.07 in January 2022. As part of the regulations and in consultation with MVA, MSDE adopted minimum safety standards for vehicle specifications, driver qualifications, and insurance and inspection requirements.

Local Expenditures: Beginning in fiscal 2027, local school systems may need to replace the use of some alternative school vehicles with Type I and Type II school vehicles as Chapters 197 and 198 terminate. To the extent local school systems currently use alternative school vehicles to transport students, the bill prevents any additional expenditures associated with returning to Type I and Type II school vehicles for those students. This includes students in unique situations, including when very few students may need to be transported on one route.

Local school systems may similarly forestall additional expenditures associated with transporting students in Type I or Type II school vehicles as a result of the bill’s express authorization for a local board to contract with a transportation network company under certain circumstances. Although the authorization to contract with transportation network companies takes effect with the effective date of the bill in fiscal 2026, this analysis assumes at least a 30-day start-up delay for local school boards to contract with transportation network companies such that any fiscal or operational effect likewise begins in fiscal 2027.

In accordance with the reporting requirements of Chapters 197 and 198, MSDE published a report on [Alternative School Transportation of Students by County Boards](#) in December 2025. In the report, MSDE’s Pupil Transportation/Emergency Management Branch recommended the continued use of alternative school vehicles to provide flexibility to local boards of education in providing transportation to students as they provide access for students with barriers to transportation, optimize operational costs in low density or limited infrastructure situations, and allow quick response to emergent needs like driver

shortage or vehicle unavailability. For the 2024-2025 school year, Anne Arundel, Carroll, Cecil, Howard, Montgomery, Prince George's, and Worcester counties all indicated that at least some contracted drivers transported students in vehicles authorized under Chapters 197 and 198 (though not all jurisdictions submitted a response to MSDE's survey).

Anne Arundel County Public Schools and St. Mary's County Public Schools both further advise that the counties are experiencing a shortage of drivers possessing commercial drivers licenses required to drive Type I and Type II school vehicles. Therefore, the school systems advise the bill may also help ensure there is a sufficient supply of drivers available to transport students.

There is no impact for local school systems that do not use alternative vehicles to transport students.

State Effect: MSDE can review regulations as required using existing resources. MSDE can likewise report to specified committees on its review of regulations with existing resources. MVA can consult with MSDE on its review of regulations as required with existing resources.

Transportation network company drivers seeking to transport students under the bill must undergo a criminal background check. The Federal Bureau of Investigation (FBI) charges a fee of \$12 for a national check. The Criminal Justice Information System Central Repository (CJIS-CR) in the Department of Public Safety and Correctional Services collects the fee from the applicant and reimburses the FBI. CJIS-CR submits requests for national criminal records to the FBI electronically. Each individual who uses CJIS-CR to conduct a CHRC is required to pay \$50 for a State and national CHRC, including a \$20 fingerprinting fee, a \$12 FBI fee, and an \$18 fee to CJIS-CR. To the extent the bill's requirement for a criminal background check results in additional individuals obtaining a State and national CHRC, CJIS-CR revenues increase from fees. Fees collected from applicants are anticipated to offset any cost to complete the CHRC.

Additional Comments: According to MSDE's [Fiscal 2025 End-of Year Pupil Transportation](#) report, approximately 630,000 public school students receive transportation services. In total, local school systems use over 7,300 school vehicles for student transportation services.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 319 (Delegate Sample-Hughes) - Ways and Means.

Information Source(s): Maryland State Department of Education; Anne Arundel County Public Schools; Baltimore City Public Schools; Baltimore County Public Schools; Frederick County Public Schools; Montgomery County Public Schools; St. Mary's County Public Schools; Wicomico County Public Schools; Department of Legislative Services

Fiscal Note History: First Reader - February 18, 2026
caw/hlb Third Reader - March 30, 2026
Revised - Amendment(s) - March 30, 2026

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