

**Horry County Schools and the “South Carolina
School Bus Privatization Act of 2012”:
An Analysis of 2012-2013 Estimated Costs
for Local Funding of School Bus Transportation**

The following report represents an estimate of the funding Horry County Schools would require for the 2012-2013 budget year if House Bill 4610, i.e., the “South Carolina School Bus Privatization Act of 2012,” were to become law and the district elected to provide its own student transportation services. This document provides a breakdown of estimated costs Horry County Schools would assume should the district provide total funding for school bus transportation during the 2012-2013 budget year.

The main challenge for the district to accomplish this feat is the bill’s provision that school buses older than fifteen years of age cannot be used to transport students. This vehicle age limitation will place an enormous financial burden on Horry County Schools, as the district currently operates 313 routed state-owned buses, and only eighty-one of them are less than fifteen years of age. In addition to the routed state-owned buses, the district also operates a large number of district-owned activity and routed buses. Of the fifty-seven (57) activity buses the district utilizes to transport students for extracurricular activities, only thirty-seven (37) of them are less than fifteen years old. All thirty-one (31) of the routed buses which the district employs to transport students to special programs or to comply with either state or federal regulations will have to be replaced due to their ages. Specifically, the district uses these district-owned buses to transport students from around the county to Horry Georgetown Technical College for Early College High School and to Coastal Carolina University for the Scholars Academy program. Additionally, the district uses these buses to transport homeless students, No Child Left Behind “school choice” students, and students whose residences are within 1 ½ miles of their school but in a location too hazardous for walking to school (e.g., students who reside on Highway 501.) Finally, the thirty-five (35) state-owned, non-routed buses which function as spare buses, along with the twenty-two (22) district-owned spare buses, will have to be replaced due to their ages. In total then, in order to comply with the fifteen year vehicle age limitation, the district would be required to purchase 340 new replacement buses at an approximate cost of \$87,000.00 each for a total of \$29,580,000.00.

In addition to the expenditures required for replacing all buses that are fifteen years or older, if the district were to assume local funding for its school bus transportation system, the Horry County Schools would also have to purchase from the state the used buses in its current fleet which are less than fifteen years of age. The purchase price for these buses would be based on fair market value and could cost the district as much as \$30,000.00 per bus. Furthermore, the district would also have to purchase or lease the state bus shops, hire all of the state bus shop employees, and purchase the shops’ parts inventory, service trucks, tankers, etc. Although it is fairly straightforward to estimate a cost for the purchase of the eighty-one (81) used buses from the state (81 used buses @ \$30,000.00 per bus for a total of \$2,430,000.00), the purchase of the state bus shops and their inventory along with hiring their

mechanics is difficult to determine because the state has not provided any data or cost analysis pertaining to these items. Therefore, for the purpose of this analysis, estimates were made by using a variety of sources in order to make the most accurate approximation possible. For example, property assessment records for the state bus shop in Socastee were used, and, when available, state figures such as replacement part costs, fuel costs, etc., were included. Employee salaries were extrapolated from the salaries that the district pays its own mechanics and supervisors.

Below is a breakdown of estimated costs for Horry County Schools to fund its student transportation program for the 2012-2013 school year:

School Bus Replacement + Purchase of Used State School Buses

232 state-owned buses (older than 15 years)	\$20,184,000.00
31 district-owned, routed buses (older than 15 years)	\$2,697,000.00
20 district-owned activity buses (older than 15 years)	\$1,740,000.00
57 spare buses [35 state-owned; 22 district-owned] (older than 15 years)	\$4,959,000.00
81 buy-back of used buses from the state < than 15 years @ \$30,000.00 ea.	\$2,430,000.00

Fuel Cost for Fleet of 458 School Buses

Annual Fuel cost for Fleet =	\$2,885,400.00
<i>(10 gallons per day @ \$3.50 per gallon =</i>	
<i>\$35.00 per day X 180 days = \$6,300.00 per bus per yr.)</i>	

Insurance and Tags for School Buses

Insurance current cost \$689.00 per bus	\$315,562.00
Tags transferred for 421 buses @ \$300.00 ea.	\$126,300.00

Acquisition of State Bus Maintenance Shops (1st year costs)

Minor Replacement Parts for Fleet (state formula) @ \$950	\$435,100.00
Major Replacement (engine, transmission)	\$125,000.00
State inventory purchase (trucks, forklifts, tankers & other)	\$500,000.00
16 Mechanics needed for Fleet of 458	\$757,560.00
4 Fuel tanker operators needed for fleet of 458	\$117,769.60
3 Lube truck operators needed for fleet of 458	\$88,327.20
2 Clerks needed @ 2 bus maintenance shops	\$82,520.00
2 Supervisors needed for maintenance of fleet	\$94,694.40
State Bus Shop Located on Hwy 701 North	\$650,000.00
State Bus Shop Located on Hwy 616 Socastee	\$650,000.00
Supplies for 2 maintenance shops	\$7,740.00
Telephone 2 maintenance shops Local Service	\$6,243.40
Technology Equipment 2 maintenance shops	\$6,000.00

Total \$38,858,216.60

Current Expenditures for Drivers, Administration, and Driver Training

Regular Driver Cost (270)	\$6,577,147.78
Special Ed Drivers Required in the Classroom by IEP (28)	\$773,956.80
Special Ed Aides Required in the Classroom by IEP (25)	\$657,359.20
Special Ed Drivers-Not Required in the Classroom (20)	\$540,705.60
Special Ed Aides-Not Required in the Classroom (18)	\$470,102.40
Budgeted Drivers (6)	\$74,496.60
County Drivers (31)	\$717,866.31
Relief Drivers (9)	\$211,656.84
Full-time Sub Drivers (6)	\$157,730.95
Director, Field Supervisor, Supervisor II (3)	\$282,311.16
Rotating Supervisor, 2 Supervisor II, 4 Area Supervisor (7)	\$463,377.10
Driver Trainers (3)	\$156,798.40
Clerk V (1)	\$52,435.00
Mid-Day Drivers	\$346,964.13
Overtime Cost Drivers:	\$866,863.78
New Hire Class	\$17,940.82
Substitute Drivers	\$178,752.60
STEM Program	\$32,473.80
Additional Training for Drivers	\$5,284.82

Horry County Transportation Operational Cost

Rentals (copiers etc.)	\$28,795.64
Student Transportation Hazard	\$103,601.41
Student Transportation Connect	\$551.76
Student Transportation ECHS	\$849.12
Travel In-District	\$18,590.82
Travel In-State	\$1,835.33
Other transportation Services	\$2513.42
Emergency Communications (Radios)	\$58,640.48
Telephones (Local Service)	\$3,121.70
Cell Phones	\$14,098.10
Advertising	\$644.36
Printing & Binding	\$4,431.34
Drug & Alcohol Testing	\$22,953.80
Supplies (DTO, 8 Bus offices)	\$34,828.33
Technology& Software	\$2,316.34
Technology Equipment & Software	\$24,888.53
Vehicles	\$87,568.56
Pupil Activity	\$1,552.00

First Aide	\$5,082.00
Vandalism	\$8,019.37

Total \$13,009,106.50

**Cost to the School District for the first year of operation:
(before State reimbursement) \$51,867,323.10***

*HCS bus maintenance cost \$224,620.43 is included in numbers.

Less current State reimbursement

State reimbursement for Drivers	- \$1,983,547.00
State reimbursement for Special Ed Transportation	- \$14,128.00
State reimbursement EAA	- \$11,923.00
State reimbursement WC	- \$183,951.00
	- \$2,193,549.00

**Projected Total Cost for the District for the
2012-2013 School Year: \$49,673,774.10**

Conclusions

The initial start-up cost for upgrading the district’s fleet so that all buses are less than fifteen years of age is the greatest expenditure the district would incur by assuming local responsibility for funding school bus transportation. Some of this tremendous expense could be avoided if the state allowed districts to use the current state inspection system which requires that an annual inspection be performed on each school bus to determine if the vehicle is safe to transport students. The large number of school buses on the road today which are fifteen years old or older and functioning just fine is a clear indication that the inspection system and not the age of the vehicle should determine which buses are safe for transporting our students.

The passage of the “South Carolina School Bus Privatization Act of 2012” would clearly result in additional costs for Horry County Schools. Even after accounting for the first year start-up costs, the district will still pay considerably more annually for school bus transportation. We would estimate an increase of approximately \$5,000,000.00 per year in order to fund the operational costs for three bus maintenance shops, as well as purchase fuel. Our current cost per year for school bus transportation is \$10,816,237.70, after a state reimbursement of \$2,193,549.00. By assuming the entire responsibility for school bus transportation on the local level, the district would see an increase in its annual transportation costs to approximately \$16,000,000.00, or possibly more, given the uncertainty of inflationary factors and fuel costs.