

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 5, 2007

TO: Honorable Mike Krusee, Chair, House Committee on Transportation

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1791 by Anderson (Relating to safety seats on school buses.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would require that all school buses acquired after September 1, 2007 be outfitted with safety seats for passengers including three-point lap and shoulder harnesses. The bill would entitle school districts to half the cost of retrofitting school buses in service prior to September 1, 2007 through an increase to districts' transportation allotment under the Foundation School Program. Due to changes made by House Bill 1, 79th Legislature, 3rd Called Session, increases to Foundation School Program formula funding elements are generally either offset by a decrease in districts' entitlement to hold harmless funds or an increase in funds dragged back to hold districts to a total revenue target. Since the bill does not amend Texas Education Code 42.2516 regarding the calculation of school district entitlements under the Foundation School Program, no net cost to the state associated with increases to the transportation allotment is expected.

If Texas Education Code 42.2516 were amended to allow for increases to the transportation allotment for half the cost of retrofitting school buses and additional entitlement under the transportation allotment for additional route miles due to lost capacity, the estimated cost to the state would be about \$12.9 million in fiscal year 2008 and \$20.3 million in fiscal year 2009 statewide. Those costs would increase at a similar rate annually and continue in future years.

Local Government Impact

The Texas Department of Criminal Justice estimates the cost of equipping a new bus with safety seats at about \$6,300 inclusive of labor. Similar costs could be assumed for retrofitting a bus. Buses outfitted with safety seats decrease school bus seating capacity by an estimated 20 percent, which would affect the number of school buses districts would need to purchase to meet demand. Assuming that districts would replace 5 percent of school buses per year and would retrofit an additional 5 percent of buses remaining in service, the incremental local cost associated with the cost of purchasing new buses with safety seats, the cost of purchasing additional buses due to lost seating capacity, and additional costs associated with increased route miles due to the lower seating capacity per bus outfitted with safety seats would be about \$104 million in fiscal year 2008 and \$127 million in fiscal year 2009. Costs would increase at a similar rate annually and continue into future years. To the extent that school districts opted to retrofit buses on a more aggressive schedule, costs would be expected to be higher.

If Texas Education Code 42.2516 were amended to allow for additional state aid for half the cost of retrofitting school buses as described in section 3 of the bill and through the transportation allotment, local costs would be offset by about \$12.9 million in fiscal year 2008 and \$20.3 million in fiscal year 2009 statewide.

Source Agencies: 696 Department of Criminal Justice, 701 Central Education Agency

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