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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/28/13

SPONSOR Morales LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE School Bus GPS Devices SB 576

ANALYST Roberts

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$565.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

Senate Bill 576 appropriates \$565 thousand dollars from the general fund to the Public Education Department (PED) to provide for installations and operations of security and global positioning system devices for school buses.

### FISCAL IMPLICATIONS

The appropriation of \$565 thousand dollars contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the general fund.

### SIGNIFICANT ISSUES

The May 2011 LFC program evaluation on the school bus transportation program reported:

The PED is not using the system to adequately monitor the transportation program. For example, the PED only uses the system to spot check district reported data for buses with daily mileage over 200. The PED has received another capital appropriation to expand a pilot program to select districts by installing electronic pass cards on buses. This “ZPass” technology has not yet been purchased, but will result in new operating costs.

A comprehensive cost-benefit analysis should be conducted before expansion of ZPass and continuation of the GPS. The use of technology to assist in monitoring the transportation program could be a viable option if the benefit outweighs the cost. However, this is dependent on the PED staff's ability to analyze and make recommendations based on the data. These arrangements could allow the PED to no longer rely on districts to supply unsubstantiated information. However, other options exist at potentially lower costs, including hiring auditors or more effectively deploying existing staff and analytical resources to ensure data integrity exists. For example, using cheaper mapping technology to identify the mileage of actual bus routes would eliminate the need to track odometer readings and reporting mileage traveled for the funding formula.

### **ADMINISTRATIVE IMPLICATIONS**

The PED will be responsible for administering the funds to provide for installations and operations of security and global positioning system devices for school buses.

### **OTHER SUBSTANTIVE ISSUES**

The PED reports:

The bill provides for the installation and operation of GPS devices but does not provide sufficient support to purchase systems on new buses or buses that do not have the systems installed. Also, since these systems have not been used in a couple of years it is not clear if they work or are still installed on buses. The appropriation is not sufficient to ensure all of the systems are operational and to replace those that are not.

The use of GPS devices could be beneficial to include assisting school districts and contractors to establish more efficient routes which will in turn save on the cost of fuel. GPS systems can also be used to monitor idle time which can assist in improving fuel consumption and also assist school districts and charter schools to accurately report their mileage to the PED.

New Mexico previously purchased and installed GPS in all New Mexico public school to-and-from school buses in accordance with 6.40.2 NMAC. The units were procured through the RFP process and purchased through a capital outlay appropriation costing the state approximately \$1 million. The company that was selected was ZONAR for supplying the GPS systems as well as providing monitoring access. ZONAR charged the state \$565.0 to provide GPS monitoring service in FY11. There were no appropriations to pay for the service in FY12 or FY13 therefore the devices are still installed in every bus but are not being used at the state level.

There are a few school districts that have chosen to continue the use of the GPS and paying for the service with their school districts operational funds.

MIR/svb