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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/01/15

SPONSOR Trujillo, CH LAST UPDATED \_\_\_\_\_ HB 73

SHORT TITLE School Bus Security & GPS Systems SB \_\_\_\_\_

ANALYST Gudgel

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$889.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

House Bill 73, endorsed by the Legislative Education Study Committee, appropriates \$889 thousand from the general fund to the Public Education Department for expenditure in FY16 to provide for installation and operation of security and global positioning system devices for school buses.

### FISCAL IMPLICATIONS

The appropriation of \$889 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY16 shall revert to the general fund.

PED's analysis notes the appropriation is not included in the executive budget recommendation. The department notes approximately 2,200 school buses are operated statewide. PED estimates the cost of purchasing and installing GPS devices in these buses would require an appropriation of more than \$1 million. Language included in the bill only provides for the installation and operation of security and global positioning devices; funds could not be used for purchasing new devices. PED estimates the cost of monitoring GPS devices on buses statewide would exceed \$600 thousand annually. The department's analysis notes the above estimates are for GPS units

only and do not include the cost of unidentified security devices, which would potentially increase the funding needed to purchase and install security devices on school buses.

## **SIGNIFICANT ISSUES**

In May 2011, LFC staff completed an evaluation of the school bus transportation program at the Public Education Department (PED) and school districts. PED used \$966.4 thousand from a 2007 capital outlay appropriation of \$2 million to purchase 2,350 statewide public school global positioning systems (GPS) from Zonar Systems to be installed in school buses that provide to-and-from transportation of students. At the time of the 2011 report, some of the units were unaccounted for. Additionally, the department was diverting over \$560 thousand from school districts' transportation allocation to pay for monthly monitoring of the GPS units at a cost of \$212.15 per bus. Districts were being charged the cost of the GPS monitoring inequitably – each school district's allocation was reduced the same amount rather than on a per bus basis, resulting in a district with three buses paying the same as a district with 450 buses. In addition to these issues, the report found that PED was not adequately using the GPS system to provide oversight of the school transportation program. For example, PED was only using the system to spot check district reported data for buses with daily mileage over 200.

The LFC report recommended a comprehensive cost-benefit analysis should be conducted before continuation of the GPS program. The report noted 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 PED staff's ability to analyze and make recommendations based on the data. These arrangements could allow 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 transportation funding formula. Additionally, the report recommended the Legislature consider further study to amend and simplify the funding formula used to allocate funding for school transportation programs.

During the 2012 interim, the Legislative Education Study Committee (LESC) convened a public school transportation subcommittee. LESL staff reported, during the October 2012 subcommittee meeting, members discussed the distribution of available transportation dollars and the need for additional site characteristics used in the current transportation calculation, including transportation in high elevation areas, on different road surfaces, for large land areas, and for charter school students. In order to consider any changes to the formula, however, subcommittee members stated that changes to the site characteristics should be considered only if consistent and accurate data are available for the school transportation program statewide. At the time PED indicated the devices were still installed in every bus but they were not being used at the state level because an appropriation had not been made to cover monitoring costs and it had been noted that the department did not have the authority to reduce school district and charter school's transportation allocations to pay for monitoring. As a result, LESL sought an appropriation of \$565 thousand during the 2013 legislative session to cover the GPS monitoring costs. PED's analysis noted the bill did not provide sufficient funding to purchase systems for new busses or for buses that did not have systems installed. The department's analysis also noted systems may be outdated, may not function, and might not still be installed on buses.

PED also noted that a few school districts had chosen to continue the use of the GPS and were paying for monitoring out of operational funding.

The 2013 bill failed, and in response to a continuation of the LESC school transportation subcommittee, the LESC again endorsed an appropriation bill during the 2014 legislative session in the amount of \$889 thousand for installation and operation of GPS devices. This legislation also failed.

#### **ADMINISTRATIVE IMPLICATIONS**

The PED will be responsible for administering the funds to provide for installation and operations of security and global positioning system devices for school buses. PED notes the department would be required to develop a request for proposal to secure installation services.

RSG/bb