



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 26** SLS 24RS 228
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ HSE COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 9, 2024	8:48 AM	Author: FIELDS
Dept./Agy.: EDUCATION		Analyst: Julie Silva
Subject: Heating and air conditioning on school buses		

SCHOOLS RE1 INCREASE LF EX See Note Page 1 of 2
 Requires heating and air conditioning on school buses. (gov sig)

Proposed legislation requires every new or used school bus purchased by the governing authority of each public elementary and secondary school to be equipped with passenger compartment heating and air conditioning systems, effective August 1, 2024. Further requires all public school boards ensure every school bus used primarily for the transportation of students is equipped with passenger compartment heating and air conditioning systems, no later than August 1, 2029.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed legislation will result in a significant increase in expenditures to ensure all school buses owned by the governing authority of each public elementary and secondary school that transport students have passenger compartment air conditioning and heating systems, hereinafter referred to as "systems". Proposed legislation does not identify a specific source of funding, so for the purposes of this fiscal note, the expenditure of local funds is anticipated based on the following language: "shall require each governing authority of each public elementary and secondary school to comply with the rules and regulations." Total costs will vary by district and on the number of buses owned, the type of buses, the age of the buses, and the extent to which districts are currently in compliance with proposed legislation.

The Louisiana Department of Education (LDOE) reports they do not have recent data concerning school buses, but estimates there are 7,500 school buses in operation statewide. Based on data collected in response to HCR 20 of the 2020 RS, roughly 70% of these are assumed to be owned by the governing authorities of public and elementary schools, and therefore would need to be compliant with proposed legislation. Fleet size, types of buses, and the ages of buses vary by school district, and the cost of purchasing new buses, or retrofitting older buses with after market systems, also varies depending on type. Existing law (R.S. 17:158.2) requires that any school bus used to transport students be under 25 years old. As a result, new school buses are purchased by school districts each year. Under proposed law, all new or used school buses purchased after August 1, 2024, will be required to have passenger compartment air conditioning and heating systems. LDOE estimates this will increase the cost of newly purchased buses by \$10,000 to \$15,000 per bus. Note that this cost is in addition to the base cost for buses, which can range between \$50,000 to \$200,000, depending on size, fuel type, and other factors. It is unknown how many buses will age out and be replaced prior to the August 2029 deadline requiring all buses to be equipped with systems. Buses that do not need to be replaced can be retrofitted with after-market systems. The LDOE provided that the cost to retrofit buses with passenger compartment heating and air conditioning systems ranges from \$13,500 to \$21,500, per bus.

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REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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| <p><u>Senate</u> <u>Dual Referral Rules</u></p> <p><input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}</p> <p><input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}</p> | <p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p> |
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Patrice Thomas
Deputy Fiscal Officer



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CONTINUED EXPLANATION from page one:

The cost to require new buses purchased include pre-installed systems or to install systems in all other school buses, for each district, is indeterminable; however, a sample group of school districts provided data concerning their fleets. This information, along with information found in publicly available reporting, is provided for illustrative purposes.

The LFO does not have the data necessary to determine actual impacts to each district.

Some districts are already 100% compliant with the provisions of proposed legislation, specifically the provision concerning air conditioning units. It is unknown how many of the referenced buses also included, or added heating systems, which are also required in proposed legislation. If information specifically concerning heating units was provided, or available, it is included below. If it is not specifically stated, compliance is unknown.

The Ascension Parish School Board approved the installation of air conditioning units on its entire fleet of 62 buses in November 2023, at an estimated cost of \$1.5 M. Ouachita Parish has also installed air conditioning units on all 220 buses in its fleet, at a cost of approximately \$2 M using federal funding they received through the Elementary and Secondary School Education Relief (ESSER) program. Lafayette Parish schools approved retrofitting their entire 114 bus fleet with air conditioning units in October 2023. The cost for parts ranged from \$9,700 to nearly \$14,000. The installation cost for each bus was \$4,320. Grant Parish passed a tax with revenues aimed at investing in the school district's transportation program. As a result, by 2023 all school buses in the Grant Parish fleet were equipped with an air conditioning unit. Cameron Parish reports having approximately 18 buses, and all are equipped with air conditioning (and heating).

Several districts reported concerns that while they are working towards compliance with proposed legislation, there are limitations to how quickly they can do so. These limitations may be financial, as the cost to either purchase or install units for districts varies, but would be significant to those with large fleets. Concerns may also be logistical as the availability of new school buses with installed systems, especially if ordered in large quantities, is often limited. Delays can also be experienced when districts are retrofitting existing buses as some districts stated there is often only one service technician in their area who is qualified to do so. Some districts for whom partial compliance data is available are included below.

Calcasieu Parish currently has only two special education buses with air conditioning installed. The 42 other buses in the district would need to be retrofitting or replaced. In January 2024, East Baton Rouge Parish was awarded a \$19.5 M grant from the U.S. Environmental Protection Agency's (EPA) Clean School Bus Program to purchase 50 electric buses, which will be equipped with air conditioning. This is in addition to the 19 electric buses that joined the parish fleet in 2023, via a \$17.5 M grant from the same program. Only 1/3, or 235 of the 700 school buses in EBR currently have air conditioning systems. After the additional buses are built, anticipated to be ready in FY 25, approximately 285 buses will be air conditioned. The remaining 415 would need to either be replaced, or retrofitting with after-market systems, depending on age. Morehouse Parish and Jefferson Parish also received U.S. EPA Clean School Bus Program grants. Morehouse used its \$19.5 M award to purchase 50 electric buses, and Jefferson Parish was able to purchase 40 with the \$15.7 M received. It is unknown how many buses will still require replacement or retrofitting. In 2023, Tangipahoa Parish used unidentified federal funds to purchase 40 school buses equipped with air conditioning systems. This represents roughly 25% of the parish fleet. As of August 2023, 65 of 82 school buses in Avoyelles Parish and 79 out of 278 in Rapides Parish did not have air conditioning.

Senate Dual Referral Rules
[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
[] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
[] 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
[] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Signature of Patrice Thomas
Patrice Thomas
Deputy Fiscal Officer