

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 204** SLS 16RS 343
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 28, 2016 2:59 PM	Author: CARTER, T.
Dept./Agy.: Education	
Subject: Occupant restraint systems in school buses	Analyst: Jodi Mauroner

MOTOR VEHICLES OR INCREASE LF EX See Note Page 1 of 2
 Requires occupant restraint systems on certain school buses. (8/1/16)

Current law requires that every bus used primarily for transportation of students to be equipped with occupant restraint systems no later than June 2004, subject to appropriation of funds. Proposed legislation makes the current law applicable to any bus manufactured and purchased for use after January 1 2017 and repeals the law that implementation is subject to appropriation of funds.

EXPENDITURES	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>5 -YEAR TOTAL</u>
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	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
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Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There will be an increase in expenditures of local school districts for the purchase of buses with occupant restraint systems and associated maintenance and compliance costs. The extent of the costs will be determined by the type of restraint system used. Restraint systems include compartmentalization, seat belts and 3-point lap/shoulder restraints. Compartmentalization is a design method by which seats with higher, thicker backs absorb crash forces and protect the child. Currently, federal law requires 2-point lap belts on small school buses manufactured after 2011; Type A buses are required to have 3-point lap/shoulder belts.

According to bus manufacturers, adding seat belts and attendant structural reinforcement at the time of manufacture adds between \$10,000 and \$15,000 to the cost of a new 66-78 passenger bus. Maintaining, repairing and replacing damaged belts can add \$500 or more per bus to annual maintenance costs. Further, greater costs to buy and operate school buses with seat belts may reduce the number of buses available for student transportation. Finally, utilizing the three-point belt system reduces capacity and may have the unintended consequence of transporting fewer children.

The LA Association of State Transportation Officers (LASTO) estimates that approximately 500 new school buses are purchased annually. A 72 passenger bus costs an average of \$90,000 depending upon required specifications with an additional \$9,600 to \$12,000 for a three point restraint system. Thus, the additional cost of acquiring new buses with these restraint systems would be between \$4.8 M and \$6 M annually (500 x \$9,600 and \$12,000). Additional costs would be incurred for annual inspections and maintenance. There are potential replacement costs if belts are in use during a crash of 35 mph or faster.

Continued on Page Two

REVENUE EXPLANATION

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

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

Evan Brasseaux
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Staff Director

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CONTINUED EXPLANATION from page one:

Expenditure Explanation Continued from Page Two:

Personnel costs could increase for bus monitors on elementary school buses to ensure compliance with seat belt usage . The number and cost of such personnel will vary across the districts and depend upon the number of elementary students being transported. Using an average salary \$10,500 + \$2,914 related benefits, the cost for an additional attendant is approximately \$13,414. Further, due to reduced capacity of buses with restraint systems (per NHTSA guidelines), LASTO estimates the districts would have to increase purchases by one-third or 165 to achieve the desired capacity. Even if half of that (80 buses) were purchased districts would incur costs of approximately \$8 M in excess of the normal purchasing cycle (80 X \$99,600= \$7.9 M and 80 X \$102,000= \$8.1M). Based on an average salary of \$25,550 (\$20,000 sal. + related benefits \$5,550), the cost of an additional 80 school bus drivers is \$2 M.

Private carriers that contract with local school systems are also subject to the proposed requirements. Local school districts will be required to monitor contractors to ensure compliance and may experience increased contract costs due to the use of more expensive buses. To the extent carriers do not meet the proposed standards, districts may be required to provide transportation services directly.

Senate Dual Referral Rules House

- 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
- 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}
- 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}

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