

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 8033
BILL NUMBER: SB 501

DATE PREPARED: May 2, 2001
BILL AMENDED: Apr 29, 2001

SUBJECT: Use of School Buses to Transport Children.

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FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (CCR Amended) *Transportation of School Children*- This bill requires a person that transports children in the care of a preschool operated by a school corporation, a public elementary school, or a public secondary school to transport the children in a school bus or, in certain circumstances permitted under Indiana law, a special purpose bus. It requires the driver of the school bus or a special purpose bus to meet certain requirements under Indiana law.

It amends the definition of "special purpose bus" to mean a vehicle that accommodates more than 10 passengers and meets federal school bus safety requirements with the exception of requirements of a signal arm and flashing lamps.

It permits the use of a public transportation system to transport school children if the motor carriage used is designed to carry at least 20 passengers. It authorizes a public transportation corporation to provide expanded service outside the county in which the corporation is located for the purpose of providing transportation to school children.

It provides that if before July 1, 2001, a person owns a vehicle other than a school bus or a special purpose bus that is used to transport school children, the vehicle may be used to transport children until June 30, 2006.

Class B Infraction- It provides that a person who violates certain provisions regarding the transportation of school children commits a Class B infraction.

Special Use of School Buses- It authorizes the governing body of a school corporation to permit, by written authorization, the use of school buses owned in whole or in part by the corporation for the transportation needs of certain nonprofit fairs or festivals.

Elimination of School Bus Name- It eliminates the requirement that the name of a school corporation

operating a school bus appear on the roof of the vehicle.

Child Care Centers-It requires a person who transports children in the care of a child care center in a vehicle designed and constructed for the accommodation of more than 10 passengers to transport the children in a school bus or a special purpose bus.

The bill provides that a preschool operated by a school corporation, a public elementary school, a public secondary school, or a child care center is not prohibited from contracting with a common carrier for incidental charter bus service for non-regular transportation as long as the carrier and the carrier's motor coach complies with federal safety regulations.

It requires the owner of a special purpose bus to present the special purpose bus for inspection at the time and place designated by the Indiana State Police Department (State Police).

Definition of Child Care Center- It defines a child care center so that the term does not include a child care home, a child care ministry, an unlicensed day care provider, or a residential child care institution.

Effective Date: July 1, 2001.

Explanation of State Expenditures: (Revised) *Elimination of School Bus Name*- The State School Bus Committee (the Committee) would incur no additional administrative expenses regarding this provision of the bill.

Child Care Centers-The Family and Social Services Administration (FSSA) could experience a minimal increase in administrative expenses regarding the requirement that child care centers utilize school or special purpose buses (as defined in Indiana law) and qualified drivers when transporting children. Additional expenses could be absorbed within FSSA's existing budget.

The Department of Education, via the Committee, could experience a minimal increase in administrative expenses regarding the oversight of additional school and special purpose buses utilized by child care centers. Since the Committee is already responsible for establishing minimum standards for school bus inspections conducted by the State Police, and is responsible for setting performance standards and measurements for determining the physical ability necessary to become a school bus driver, the specific effects could be absorbed within DOE's existing budget.

The State Police, via the Commercial Vehicle Division (the Division), could experience an increase in administrative expenses regarding the inspections of additional school and special purpose buses utilized by child care centers. Under current Indiana law, the Division already inspects school buses utilized by these entities and would be required to inspect any additional buses acquired to transport children due to the provisions of this bill.

The specific effects are currently indeterminable and would depend upon the number of additional school and special purpose buses utilized by child care centers and the number of those entities that choose to utilize public transportation instead of purchasing additional buses.

Background- Currently there are approximately 14,000 school buses (public and private) operating in Indiana that are required to be inspected by the Division at least annually. (Some school buses are inspected multiple times due to re-inspections, spot-inspections, and 12-year-old inspections.) For 1999, approximately 18,000

school bus inspections were conducted by the Division.

Explanation of State Revenues: (Revised) *Class B Infraction*- If additional court cases occur, revenue to the state General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class B infraction is \$1,000 which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures: (Revised) *Transportation of School Children*- It is not likely that school corporations would experience an increase in administrative expenses due to this provision of the bill. Typically, school corporations utilize conforming school buses to transport students to and from extra-curricular events. In the cases where a non-conforming vehicle, such as a parent's van, would have normally been used (absent this bill), school corporations would incur little or no difficulty locating buses from their existing fleets.

Special Use of School Buses- School corporations would incur no additional administrative expenses regarding this provision of the bill.

Elimination of School Bus Name- Public school corporations would no longer be required to letter approximately 1,200 newly purchased school buses each year (based on 10% of the currently existing fleet of school buses). The approximate annual cost savings would range from \$27 to \$41 per bus for a total of \$32,400 to \$49,200 (based on lettering costs of \$1.00 to \$1.50 and an average of 27 characters per bus).

Explanation of Local Revenues: (Revised) *Class B Infraction*- If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Family and Social Services Administration, Department of Education, State Police.

Local Agencies Affected: School Corporations; Trial Courts, Law Enforcement Agencies.

Information Sources: Indiana Association of School Bus Distributors, Merchanthouse Transportation Sales, Inc.; Indiana State Police *1999 Annual Report*; State School Bus Committee Website: <http://www.doe.state.in.us/safety/welcome.html>.