

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2020 REGULAR SESSION**

MEASURE

2020 BR NUMBER 136

HOUSE BILL NUMBER 34

TITLE AN ACT relating to school bus safety and making an appropriation therefor.

SPONSOR Representative Robert Goforth

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Department of Education (KDE), Transportation Cabinet (KYTC)

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2019-2020	2020-2021	2021-2022	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				(Indeterminable)
EXPENDITURES				Indeterminable
NET EFFECT				(Indeterminable)

() indicates a decrease/negative

PURPOSE OF MEASURE: HB 34 requires a stop arm camera to be placed on every public school bus by August 1, 2023; mandates KDE to inspect every school bus annually; and requires KYTC or a third party to review recorded images and issue citations for violations. The measure establishes the fines and the process for an individual to appeal a citation and authorizes KYTC to rule on those appeals.

FISCAL EXPLANATION: HB 34 creates new provisions that would impact revenue and expenditures. An explanation of the impact is provided below.

Revenue Impact

HB 34 establishes monetary penalties and a distribution formula for the fines collected for illegally passing a school bus with a stop arm extended. Currently, all fines collected are earmarked for the General Fund. According to data provided by the Kentucky Court of Justice, \$231,899 was collected statewide for school bus stop arm violations from 1/1/2000 to 7/31/2016, an average of about \$14,000 in fines collected per year. Additionally, there are situations when individuals that are cited by law enforcement after passing a stopped school bus are issued citations for a lower traffic violation. The Finance and Administration Cabinet did not respond to multiple inquiries regarding fines collected for other traffic violations.

If enacted, HB 34 would redistribute fines collected among school districts, third party vendors, local law enforcement agencies, KYTC, and KDE. This would result in a direct loss to the General Fund and a minimal and indeterminable increase in state agency Restricted Funds and Road Fund. However, the increases in Restricted Funds and Road Fund would not offset the loss to the General Fund since other non-state entities would be eligible to receive a portion of the fines collected.

Expenditure Impact

KDE

HB 34 requires KDE to conduct annual on-site inspections of each local school district to ensure their school buses are equipped with functioning stop arm cameras. This would require an inspection of nearly 8,000 school buses. Currently, KDE does not have the personnel resources available to conduct annual site visits and would need to hire up to two additional staff at an annual cost of \$60,000 each for salary and benefits. Some of these costs would be offset by the fines distributed to KDE.

KYTC

KYTC anticipates that HB 34 will impact the Road Fund and would require an educational media campaign to ensure that motorists are informed of the changes to current law to ensure compliance. KYTC estimates the campaign will cost between \$175,000 and \$200,000 for the initial statewide rollout. They also anticipate spending between \$50,000 and \$100,000 each subsequent year in attempts to target noncomplying areas with educational campaigns to reduce infractions. The Division of Motor Vehicle Licensing will have to make programmatic changes to their systems used to renew registrations. Both AVIS (Automated Vehicle Information System) and KAVIS (Kentucky Automated Vehicle Information System) would have to be altered. KYTC estimates the changes to AVIS will cost approximately \$81,000 while the costs to KAVIS are unknown. Since KAVIS is still being built, these changes could theoretically be programmed in at no extra cost. Finally, additional staff would have to be hired to carry out the work required. KYTC is expected to require 15 administrative specialists to review footage, issue citations and civil penalties, etc. KYTC estimates this to cost \$1.05 million annually. KYTC would also need 12 administrative hearing officers, one for each highway district, to hear appeals and make rulings. KYTC estimates this to cost approximately \$1 million annually. Finally, two administrative section supervisors would be needed, one for the specialists and one for the hearing officers, at a cost of \$180,000 annually. Altogether, KYTC anticipates at least \$2.5 million (perhaps more from reprogramming costs) in expenditures for the Road Fund in the first year, with annual costs of \$2.3 million every year thereafter.

Local School Districts

This analysis does not consider the impact to local school districts, which are outside the purview of this fiscal note. However, at full implementation, it would be a substantial cost to school districts to purchase a stop arm camera for each school bus.

KRS 6.945 may apply and any fiscal impact upon cities would be addressed in a local mandate.

DATA SOURCE(S): Kentucky Department of Education, Kentucky Transportation Cabinet, Kentucky Court of Justice, LRC staff

PREPARER: Seth Dawson NOTE NUMBER: 50 REVIEW: JAB DATE: 1/10/2020