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FISCAL IMPACT REPORT

ORIGINAL DATE
LAST UPDATED

SPONSOR Stewart **HB** 158

SHORT TITLE School Bus Security & GPS **SB** _____

ANALYST Chavez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$889.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$565.0 (See fiscal impact)	\$565.0 (See fiscal impact)	\$1.1 million	Recurring	General Fund or District Operating Budgets

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 158 appropriates \$889 thousand dollars from the general fund to the Public Education Department (PED) for installations and operations of security and global positioning system devices for school buses.

FISCAL IMPLICATIONS

The appropriation of \$889 thousand dollars contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2015 shall revert to the general fund.

PED estimates that the appropriation may not provide for the costs of monitoring the GPS systems either at the state or district level; the department recently received estimates from three different vendors to implement GPS and in 2,200 school buses. Estimates received varied from \$888.8 thousand to just over one million dollars.

In FY11, the state purchased and installed GPS in all New Mexico public school to-and-from school buses in accordance with 6.40.2 NMAC. The units were procured through a RFP process and purchased through a capital outlay appropriation for approximately \$1 million. The cost of maintaining the GPS systems would create an additional burden. PED notes that in FY11, a \$565 thousand service fee was charged to the state; the state did not pay the fee in FY12, FY13, or FY14. There are a few school districts that have chosen to continue the use of the GPS and that pay for the service with their operational funds. A similar service fee would apply if a new GPS system were installed.

SIGNIFICANT ISSUES

A report of the Legislative Education Study Committee (LESC) transportation subcommittee to LESC in September 2013 noted GPS would provide a method for PED to verify mileage, idle time, and fuel use in order to accurately reimburse costs and help inform future studies of the school transportation funding formula, including site characteristics. PED reports that the use of GPS devices could be beneficial to school districts and contractors to establish more efficient routes which will in turn save on the cost of fuel. GPS systems can also be used to monitor idle time which can assist in improving fuel consumption.

However, a 2011 LFC program evaluation on the school bus transportation program reported that the PED was not using the GPS system to adequately monitor the transportation program. For example, the PED only used the system to spot check district reported data for buses with daily mileage over 200. The report also stated that, while the use of technology to assist in monitoring the transportation program could be a viable option if the benefit outweighs the cost, it is dependent on PED staff's ability to analyze and make recommendations based on the data.

The report noted that 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 funding formula.

ADMINISTRATIVE IMPLICATIONS

PED reports they currently have staff with the ability to use the system to adequately monitor the transportation program.

KC/jl