

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: *HB 575a

50th Legislature, 1st Session, 2011

Tracking Number: .185411.1

Short Title: School Bus Fuel Costs from Trans. Emerg. Fund

Sponsor(s): Representative Rick Miera

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AS AMENDED

The House Education Committee amendments remove the requirements that:

- **funding be “based on miles traveled;” and**
- **school districts and state-chartered charter schools request funds for fuel from the fund and provide supporting documentation that they have incurred increased costs due to higher fuel prices.**

Original Bill Summary:

HB 575 amends the provisions relating to the Transportation Emergency Fund in the *School Finance Act* to provide that, for school years 2010-2011 and 2011-2012:

- the Public Education Department (PED) make distributions from the fund first to provide additional funding to school districts and state-chartered charter schools for increased school bus fuel costs;
- the distribution of funding be based on miles traveled for to-and-from transportation of public school students;
- school districts and state-chartered charter schools request funds for fuel from the fund and provide supporting documentation that they have incurred increased costs due to higher fuel prices; and
- PED approve requests for funding and make distributions on a reimbursement basis.

*HB 575 contains an emergency clause.

Fiscal Impact:

HB 575 does not contain an appropriation.

According to PED, for FY 11 there is a balance of approximately \$2.1 million in the Transportation Emergency Fund.

Fiscal Issues:

The *Public School Finance Act* requires that:

- in the event a school district's or state-chartered charter school's transportation allocation exceeds the amount required to meet obligations to provide to-and-from transportation, three- and four-year-old developmentally disabled transportation and vocational education transportation, 50 percent of the remaining balance shall be deposited in the Transportation Emergency Fund; and
- of the excess amount retained by the school district or state-chartered charter school:
 - at least 25 percent shall be used for to-and-from transportation-related services, excluding salaries and benefits; and
 - up to 25 percent may be used for other transportation-related services, excluding salaries and benefits as defined by rule of the department.

According to the *Lundberg Survey*, the price of wholesale diesel on February 4, 2011, was \$2.93; however, according to PED, the FY 11 appropriation to the transportation distribution provided school districts with only \$2.11 per gallon. PED indicates that:

- the projected funding shortage for fuel to date is approximately \$2.1 million; and
- if fuel prices reach \$3.00 per gallon as is projected, the estimated shortage for FY 11 may be approximately \$3.3 million.

According to Legislative Education Study Committee records:

- school buses travel approximately 35 million miles per school year providing to-and-from transportation for public school students; and
- school buses average eight miles to each gallon of diesel, resulting in approximately 4,375,000 gallons of diesel consumed statewide per school year.

Section 5 of CS/HB 2 et al. includes an appropriation of \$1.2 million to PED from the transportation emergency fund, including requirements identical to those in HB 575.

Background:

In the 2008 second special session, the Legislature appropriated \$4.0 million from the General Fund to PED for FY 09 to provide supplemental funding to school districts for higher school bus fuel costs. The distribution of funding was based on miles traveled for to-and-from transportation of public school students.

Related Bills:

CS/HB 2 et al. *General Appropriation Act of 2011*