

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1057 HB	<b>Title:</b> School bus safety
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## Estimated Cash Receipts

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.					
<b>Total \$</b>	0	0	0	0	0	0

## Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Administrative Office of the Courts	Fiscal note not available								
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.0	0	0	.0	28,591,000	28,591,000	.0	25,454,000	25,454,000
<b>Total \$</b>	0.0	0	0	0.0	28,591,000	28,591,000	0.0	25,454,000	25,454,000

Local Gov. Courts *	Fiscal note not available								
Loc School dist-SPI									
Local Gov. Other **									
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	Fiscal note not available								
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	0.0	0	0	0.0	0	0	0.0	0	0

## Estimated Capital Budget Breakout

NONE

<b>Prepared by:</b> Cynthia Hollimon, OFM	<b>Phone:</b> (360) 902-0562	<b>Date Published:</b> Preliminary 1/31/2019
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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

FNPID: 54017

FNS029 Multi Agency rollup

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1057 HB	<b>Title:</b> School bus safety	<b>Agency:</b> 090-Office of State Treasurer
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

### Estimated Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

☐

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

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If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

<b>Legislative Contact:</b> Ethan Moreno	<b>Phone:</b> 360-786-7386	<b>Date:</b> 01/24/2019
<b>Agency Preparation:</b> Dan Mason	<b>Phone:</b> (360) 902-8990	<b>Date:</b> 01/24/2019
<b>Agency Approval:</b> Dan Mason	<b>Phone:</b> (360) 902-8990	<b>Date:</b> 01/24/2019
<b>OFM Review:</b> Ramona Nabors	<b>Phone:</b> (360) 902-0547	<b>Date:</b> 01/28/2019

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

HB 1057 creates the school bus safety account and allows the account to retain its earnings from investments.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable. Earnings for an account are a function of the average daily balance of the account and the earnings rate of the investment portfolio. Two accounts with the same overall level of receipts, disbursements, and transfers can have different average daily balances, and hence different earnings. Based on the November 2018 revenue forecast, assume approximately \$27,200 in FY 20, \$32,500 in FY 21, \$33,300 in FY 22, and \$34,300 in FY 23 in net earnings would be gained or lost annually for every \$1 million shift in average daily cash balances.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1057 HB	<b>Title:</b> School bus safety	<b>Agency:</b> 350-Superintendent of Public Instruction
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
<b>Account</b>					
General Fund-State 001-1	0	0	0	28,591,000	25,454,000
<b>Total \$</b>	0	0	0	28,591,000	25,454,000

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

☒

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Ethan Moreno	Phone: 360-786-7386	Date: 01/24/2019
Agency Preparation: Troy Klein	Phone: (360) 725-6294	Date: 01/28/2019
Agency Approval: Mike Woods	Phone: 360 725-6283	Date: 01/28/2019
OFM Review: Cynthia Hollimon	Phone: (360) 902-0562	Date: 01/31/2019

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 1 of the bill requires that beginning September 1, 2020, every school bus must be equipped with an automated school bus safety camera.

Section 2(2)(b)(i) of the bill directs school districts to require passengers in school buses equipped with seat belts to wear the belts, in a properly adjusted manner, whenever the school bus is in motion.

Section 2(2)(b)(ii) grants civil and criminal immunity to certain entities and individuals, arising under the new seat belt provisions obligating school districts to require school bus passengers to wear seat belts.

Section 3 requires school districts to deposit any incentive funds received from the Office of the Superintendent of Public Instruction (OSPI) into the district's transportation vehicle fund.

Section 4 of the bill requires every school bus manufactured or assembled after September 1, 2020, to be equipped with a safety belt for each passenger position.

Section 5(1) of the bill requires that beginning September 1, 2020, every school bus must be equipped with an automated school bus safety camera. It also requires school districts to ensure nonfunctional cameras are returned to functioning condition as soon as practicable.

Section 5(3): Any school district that is under a safety camera system contract before September 1, 2020, must continue to receive funds from use of the camera and may transfer the district's share of the funds to the district's transportation vehicle fund in addition to using the funds for school safety zone projects.

Section 5(4): Any school district that installs a safety camera system on or after September 1, 2020, must distribute any revenue collected from infractions detected through the use of the camera, less the administration and operating costs of the camera as follows:

- a. One-third to the school bus safety account created in Section 6 of the bill;
- b. One-third to the law enforcement agency issuing the infraction; and
- c. One-third to the court processing the infraction.

Section 6 of the bill creates the School Bus Safety Account. Moneys in the account may only be spent after appropriation. Between September 1, 2020, and July 31, 2024, the first \$10,000,000 in expenditures from the account for each year must be transferred to the general fund to pay for the cost of school bus safety belt systems, and any remaining expenditures must be used for the school bus replacement incentives under RCW 28A.160.205. Starting on August 1, 2024, expenditures from the account may only be used for school bus replacement incentives. Because Section 6 modifies RCW 46.68 (Motor Vehicles, Disposition of Revenue), OSPI assumes the new account will be administered by the Washington State Department of Licensing (DOL).

Section 7 adds the School Bus Safety Account to the list of accounts that shall receive proportionate earning from the State Treasurer.

Section 8 lists an effective date of August 1, 2019 for the bill.

### II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Because the new School Bus Safety Account would be authorized under RCW 46.68, OSPI assumes DOL would be the fund administrator. Therefore no cash receipts to OSPI.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 4(5) of this bill requires every school bus manufactured or assembled after September 1, 2020, to be equipped with a safety belt for each passenger position. Section 5(1) of the bill requires that beginning September 1, 2020, every school bus must be equipped with an automated school bus safety camera. This would have an expenditure impact to OSPI in Program 022 (Transportation) for the increased replacement cost payments to school districts due to new buses having a seat belt requirement, and an automated school bus safety camera requirement. The average cost of seat belt replacement per school bus is about \$12,500, and the average cost of an automated safety camera with installation is \$2,500. These estimates are based on the latest bids from two manufactures, Schetky and Bryson, from around September 1, 2018, and uses the most common school bus categories C60D, C77D, and D84D. The information on the bids can be found at the following link: <http://www.k12.wa.us/Transportation/statespecs/specifications2018-19.aspx>.

Annual bus depreciation expenditures (OSPI depreciation payments made to districts) are made each August for district purchases in the preceding state fiscal year. For example, districts purchasing buses meeting the seatbelt requirement, and automated safety camera requirement on September 1, 2020 (FY21) will receive depreciation payments from OSPI in August, 2021 (FY22). Annual OSPI expenditures for depreciation payments are projected to be: \$14,693,000 in FY 2022, \$13,898,000 in FY 2023, \$12,728,000 in FY 2024, and \$12,726,000 in FY 2025. These estimates are based on information from OSPI's pupil transportation department, are rounded to the nearest thousand dollars, and are based on the current bus replacement schedule.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	0	0	0	28,591,000	25,454,000
Total \$			0	0	0	28,591,000	25,454,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services				28,591,000	25,454,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	0	0	28,591,000	25,454,000

III. D - Expenditures By Program (optional)

Program	FY 2020	FY 2021	2019-21	2021-23	2023-25
Student Transportation (022)				28,591,000	25,454,000
Total \$				28,591,000	25,454,000

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.