



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 364** HLS 21RS 480
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 7, 2021	4:05 PM	Author: WHITE, M
Dept./Agy.: Education		
Subject: School Bus Operator Compensation		Analyst: Garrett Ordner

SCHOOLS/BUS OPERATORS RE INCREASE LF EX See Note Page 1 of 2
 Provides relative to the compensation of school bus operators

Proposed legislation replaces existing operational pay schedule for school bus operators with a minimum pay rate of \$1.4683 per mile of paid mileage for school buses with capacities of 48 or fewer passengers, and a minimum of \$1.756 per mile of paid mileage for school buses with capacities greater than 48 passengers. Mile of paid mileage is defined as the distance the bus travels after picking up its first student until it reaches the final student discharge destination or school of each morning and afternoon route officially designated by the public school governing authority. Requires the compensation to be paid for the number of days of actual operation, but not less than 180 days during the school year, and for the actual days of operation during the summer semester, if applicable. Requires public school governing authorities to compensate school bus drivers for expenses associated with the purchase, maintenance, modification, repair and replacement of air-conditioning equipment and certain equipment required for transporting students with disabilities when such expenses are required by the governing authority. Implementation begins with the 2021-2022 school year.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There will be an indeterminable increase in local funds expenditures for local school districts to provide for an increased operational pay rate to school bus operators "owner/operators," and to provide for supplemental payments for certain equipment purchases. District costs will depend on the difference between the new compensation structure and districts' existing operational pay structures. Costs will vary based on the number of owner/operators, the size of school buses, and the supplemental payment system established by districts.

HCR 20 of the 2020 Regular Session requested that the Board of Elementary and Secondary Education (BESE) produce a report examining the compensation structure for school bus owner/operators. Under current law, state-mandated operational pay averages \$9,200 for a 48 passenger school bus and \$11,000 for a 72 passenger school bus. However, according to estimates by the task force, the actual annual operational costs of 48 and 72 passenger buses are \$18,500 and \$22,100, respectively. The proposed legislation provides for compensation rates from \$1.4683 to \$1.756 per one-way mile to offset these costs for an owner/operator.

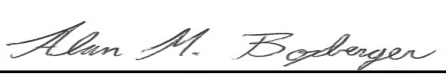
Based on a survey of districts, 905 school buses in the state are independently owned by owner/operators; an estimated 12.2% of owner/operators operate buses with capacities of 48 or fewer passengers, and the remaining 87.8% of owner/operators operate buses with capacities of more than 48 passengers. Thus, there are an estimated 110 operators who will receive an additional \$9,300 and 795 operators who will receive an additional \$11,100 under the proposed legislation, on average. By itself, the compensation under the proposed measure will result in an estimated \$9.8 M in increased expenditures for local school districts (110 buses w/ 48 or fewer passengers x \$9,300 = \$1 M; and \$795 buses w/ more than 48 passengers x \$11,100 = \$8.8 M).

SEE EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


Alan M. Boxberger
 Staff Director



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CONTINUED EXPLANATION from page one:

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EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

However, many districts supplement the minimum operational pay under current law. In order to incorporate the new compensation rates, it is likely that districts will reduce or eliminate existing supplemental pay, although this may vary by district. For example, St. Tammany Parish, which employs over 40% of the state's school bus owner/operators, supplements the current state-mandated operational pay with a monthly stipend as well as an allowance based on local diesel fuel costs. Under the district's current pay structure, an owner/operator with a route of 70 miles round-trip and a 72 passenger bus would receive an annual total of approximately \$8,600 in supplemental pay, in addition to the state-mandated operational pay, for a total compensation of approximately \$19,700 per year. Districts will experience potentially significant cost increases to the extent the new compensation structure exceeds their existing compensation structures.

The proposed legislation further requires each public school governing authority to establish supplemental operational payments to owner/operators for costs associated with the purchase and maintenance of air-conditioning equipment and equipment for transporting students with disabilities. The established supplemental pay structures will vary by district; therefore, costs are indeterminable.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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