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Fiscal Note

Drafting Number: LLS 23-0148
Prime Sponsors: Rep. McLachlan

Date: March 10, 2023
Bill Status: House Education
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Bill Topic: CAMERAS ON SCHOOL BUSES FOR STUDENT SAFETY

Summary of Fiscal Impact:

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill requires the installation of automatic vehicle identification systems on all school buses and creates a grant program for that purpose. It increases state and local expenditures annually through at least FY 2027-28.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of \$1.6 million to the Colorado Department of Education.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 23-1177

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	General Fund	\$1,635,392	\$1,606,351
	Centrally Appropriated	\$23,097	\$21,944
	Total Expenditures	\$1,658,489	\$1,628,295
	Total FTE	1.2 FTE	1.1 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$245,309	\$240,953

Summary of Legislation

No later than July 1, 2028, the bill requires that school districts install and operate an automated vehicle identification system (AVIS) on all school buses that transport students to and from school. The AVIS must produce a live image that is viewable remotely, and a recorded image of the license plate of any vehicle that unlawfully passes a stopped school bus. If the system records a violation, the school district must provide the evidence to the appropriate law enforcement agency.

The bill creates the Route School Bus Camera Matching Grant Program in the Colorado Department of Education (CDE) to provide grants to schools and districts to install AVIS on every school bus. The CDE will administer the program based on rules adopted by the State Board of Education (SBE). Grant applications must include specific information, including the amount and source of any matching funds that an applicant will provide, if any. The CDE must review applications and make recommendations to the SBE for awarding grants. Grantees must make annual reports to the CDE, and the department must summarize and report this information to the General Assembly.

Background

Colorado school districts operate an estimated 6,800 school buses. Based on a preliminary estimate, a camera system that meets the bill's requirements is estimated to cost between \$3,000 and \$5,000 per bus. This includes the camera hardware and mounting, training, maintenance, and live image capture and video uploads to a remote location.

State Expenditures

A grant program meeting the bill's requirement is expected to increase state expenditures in the CDE by at least \$1.6 million in FY 2023-24 and FY 2024-25, from the General Fund; however, total funding for the grant program must be determined by the General Assembly. Expenditures in this fiscal note estimate the minimum amount of funding necessary to establish the grant program. Expenditures continue through at least FY 2027-28, when all school districts must have systems installed on every bus.

**Table 2
 Expenditures Under HB 23-177**

	FY 2023-24	FY 2024-25
Colorado Department of Education		
Personal Services	\$105,432	\$104,866
Operating Expenses	\$1,620	\$1,485
Capital Outlay Costs	\$13,340	-
Data System Costs	\$15,000	-
School Bus Camera System Grants	\$1,500,000	\$1,500,000
Centrally Appropriated Costs ¹	\$23,097	\$21,944
Total Cost	\$1,658,489	\$1,628,295
Total FTE	1.2 FTE	1.1 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Personal services. The CDE will require 1.5 FTE to implement the grant program. Staff includes 0.5 FTE in the Transportation Unit to assist the SBE to adopt program rules for applications, technical assistance, evaluation and award, data collection and reporting, 0.5 FTE for administrative support to the Grants Program Administration Unit, and 0.5 FTE for the Grants Fiscal Management Unit.

Data system costs. The Information Management Systems Unit in the CDE must update district data submission forms to collect additional grant activity for accountability and reporting. In FY 2023-24 only, the unit will have 120 hours of work at a rate of \$125 per hour.

School bus camera systems grants. Grants to school districts is the largest cost component of the bill. Assuming the CDE distributes 75 grants annually at a minimum of \$20,000 per grant, total annual grants will be \$1.5 million. Actual grant amounts and the number awarded must be determined by the SBE, and total funding for the grant program is at the discretion of the General Assembly. This fiscal note assumes that a similar level of funding will be required annually through FY 2027-28. All school buses must have the systems installed no later than July 1, 2028 (FY 2027-28). See the School District section below for more information on the total costs of installing AVIS in school buses.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

School District

School districts will have the direct cost of updating all existing school busses and ensuring that any new bus is equipped with the proper AVIS by July 1, 2028. The precise number of school buses impacted is unknown, but assuming the state has about 6,800 active school buses, and installing the AVIS will cost between \$3,000 and \$5,000 per bus, total expenses for school districts is estimated at between \$20.4 million and \$34 million. Some of this school district cost is offset by grant assistance from the CDE, depending on how much the General Assembly allocates to the grant program created by this bill.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2023-24, the bill requires a General Fund appropriation of \$1,635,392 to the Colorado Department of Education, and 1.2 FTE.

State and Local Government Contacts

Education

School Districts

Transportation