

LFC Requester:	
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**AGENCY BILL ANALYSIS
2018 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original	<input type="checkbox"/>	Amendment	<input type="checkbox"/>	Date	<u>02/05/18</u>
Correction	<input checked="" type="checkbox"/>	Substitute	<input type="checkbox"/>	Bill No:	<u>SB138</u>

Sponsor:	<u>Senator William P. Soules</u>	Agency Code:	<u>924</u>
Short	<u>SCHOOL BUS SEAT BELTS</u>	Person Writing	<u>Marian Rael</u>
Title:	<u></u>	Phone:	<u>827-6519</u>
		Email	<u>Marian.rael@state.nm.us</u>

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
	\$8,500.0	Non-recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY18	FY19	FY20		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: SB-138 amends statute to require that all school buses purchased on or after July 1, 2018 be equipped with seat belts for all passengers. The bill also has clean-up changes throughout the bill.

FISCAL IMPLICATIONS

Pursuant to 22-8-27, NMSA 1978, the Public Education Department (PED) shall provide for the replacement of school buses on a twelve-year cycle. The PED submitted a capital outlay request for \$27.1 million dollars through the Infrastructure Capital Improvements Plan (ICIP) process. This request includes the replacement of 319 school owned buses. This request will allow the PED to remain compliant with the statutory replacement cycle if funded in full. The request includes the replacement of 201 buses that are behind schedule and the additional 118 that are scheduled to be replaced next fiscal year. The estimate assumes the average price per bus is \$85 thousand dollars.

The additional cost to install 3 point seat belts on a regular 71 passenger school bus is approximately \$7,500. If this bill is enacted PED would require an additional \$2.4 million dollars in FY19 to meet the requirements within this bill. To replace all of the 319 buses mentioned above, the PED capital outlay request will need to be \$29.5 million dollars. If the state remains on schedule and replaces buses according to the replacements schedule approximately 170 buses should be replaced annually. This would equate to an additional \$637,500 dollars annually that would be needed in capital outlay funds for the purchase of district owned buses. This would also cost an additional \$127,500 dollars in additional rental fees to contractors for the replacement of contractor buses.

The \$8.5 million dollar appropriation contained in this bill is only 28% of what is needed for PED to be compliant with the replacement scheduled required in statute.

SIGNIFICANT ISSUES

About 25 million children are shuttled approximately 4.8 million miles to and from school each year on buses in the United States. According to the National Highway Traffic Safety Administration (NHTSA), bus crashes make up 0.6 percent of all traffic fatalities; traveling by school bus is one of the safest modes of transportation.

School buses in the state of New Mexico are required to meet more stringent safety standards

than any other type of bus or motor vehicle. Large school buses, weighing more than 10,000 pounds, are built to experience a lower crash force than passenger cars. They also have elevated seats that are situated closer together, with high, padded seat backs to absorb energy in an impact. The design of the seats is called compartmentalization.

The NHTSA has endorsed lap belts and lap-shoulder belts for school buses, with the caveat that more training is needed to ensure that the belts are used properly. However, the NHTSA still stresses that school buses are safe even without seat belts, in large part because of the protection of compartmentalization. The safety office has conducted crash testing, and based on the data, they found seatbelts have the potential to lower injuries or fatalities only in rollover crashes where ejection is more likely and if the seat belts are properly installed and used. At the Federal level, seatbelts are not required and the decision is still a local decision based on local need.

If seatbelts are required on all school buses it will be difficult for drivers to enforce. Bus drivers are required to monitor general student behavior and at the same time they have to be aware of what is happening with other motorists. This bill does not address school bus driver liability, nor does it require school bus passengers to buckle up. This may pose a liability issue to school districts, contractors and PED if there is a bus crash and injuries occur due to improper use or if the seatbelts are not used at all.

ADMINISTRATIVE IMPLICATIONS

PED will be required to amend NMAC 6.40.2 to incorporate the changes within this bill. The PED will have to absorb the costs associated with the rulemaking process.

PED, school districts and contractors will be required to provide training for drivers and students in the proper use of the belts and the way to get out of the belts for quick evacuation from the bus. PED will need to develop training materials for school districts to distribute annually to students and parents about the importance of the proper use of all types of passenger seat belts on school buses, "including the potential harm of not wearing a seat belt or wearing one but not adjusting it properly." PED will also have to incorporate procedures in the NMAC 6.41.1 to require school district to have annual drills to show students how to wear seat belts properly. The cost of this is indeterminate at this time.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to HB-86 which proposes to change the replacement cycle of buses from 12 years to 15 years.

OTHER SUBSTANTIVE ISSUES

The State of New Mexico currently has three bus vendors in the state. These vendors work with all the school districts and contractors. The majority of school buses are ordered and are custom built according to the customer's needs. On average it takes between 3 to 6 months for a school bus to be built. However, these three vendors also have stock buses on hand that are equipped and built with the current minimum New Mexico construction standards. If this bill is enacted these dealers will not be able to sell any of the buses that they have currently in stock. This may have a major financial impact for these 3 vendors because these stock buses on the lot do not have seat belts and will not be able to be sold after July 1, 2018.

AMENDMENTS

ALTERNATIVES

The legislature may consider amending the language in the bill that states any vehicles built, in lieu of purchased, on or after July 1, 2018 shall be equipped with seat belts. This will prevent the three vendors from getting stuck with buses currently on their lots due to the enactment of this bill.

This is a complex issue with many pros and cons that also has a major funding implication. It is important that all the local policymakers are given all the essential information derived from fact-based analysis, testing data, and science before major decisions are made in changing the construction standards of school buses.