

# **CALIFORNIA ASSOCIATION OF SCHOOL TRANSPORTATION OFFICIALS**

## **STATE BOARD MEETING**

### **LEGISLATIVE COMMITTEE UPDATE**

**January 10, 2015**

#### **FEDERAL ISSUES**

##### **CNG REBATES**

The federal incentive that is a credit (or pays) dispensers of alternative fuels expired December 31, 2013. This \$0.50 per gasoline gallon equivalent has been in place since October of 2006 and has sunset and been retroactively reauthorized a couple of times in the past years. The credit was reauthorized in December, 2014 to be retroactive to January 1, 2014 and sunset on December 31, 2014. The legislation originally included a two-year authorization, but the legislature reduced it to one year, and hopes to include it in an on-going budget bill in the future. The IRS has not issued guidance on how to claim this yet. Attached is more expansive information from NGVAmerica.

##### **RESUMPTION OF FIRST OBSERVER PROGRAM**

Attached is an e-mail from NASDPTS announcing the resumption of the First Observer Program by the Transportation Security Administration (TSA). An e-mail address as well as contact information is included.

#### **STATE ISSUES**

##### **CALIFORNIA'S BUDGET**

Governor Brown was expected to roll out his January preliminary proposed budget for the 2015-16 fiscal year on Friday December 9, 2015. If there is new information relative to school transportation, I will verbally communicate what I know at this meeting. It is expected, however, that there will be absolutely no change for school transportation funding. School transportation funding remains under the Local Control Funding Formula (LCFF), has been funded at the same level for each school district as the prior year funding, remains an add-on to a district's base grant and is restricted for transportation use. "Maintenance of Effort" requires that you spend at least as much as the amount you receive. At least for now, if no other legislation or effort is made, school transportation funding has been permanently cut by 20% and does not receive a COLA in the future. JPAs will receive funding for only this year (14-15).

##### **CDE TRAN DATA**

As you know, there has been little direction from CDE (Education Finance Department) relative to how to account for school transportation expenses. Generally, it appears that County Offices of Education are giving local direction and budget codes. CDE (Education Finance Department) has not made any request for data for the 13-14 school year, in spite of CDE-OST request to continue collecting data. This is unfortunate, as there is really no way for them to monitor "Maintenance of Effort", and without current data, it becomes more difficult for us to lobby for more funds. We are continuing to work on this issue.

##### **CARB TRUCK AND BUS PROGRAM**

Attached is the school bus guidance for this program that requires older diesel engines to be retrofitted with diesel particulate filters. As of January 1, 2014, 100% of your fleet needs to be compliant, with few exceptions. This applies to diesel buses over 14,000 # GVWR. One exception is for buses that are operated less than 1,000 miles per year. Buses that cannot be retrofitted have a delayed implementation of January 1, 2018, meaning that the bus will need to be replaced at that time, or re-powered if a compliant engine is available. Attached is the digested guidance on the

Truck and Bus Rules specific to school buses. Also attached is their digested guidance on school bus idling. Contact Lisa Jennings at 916-322-6913 for information about these programs or the Lower Emission School Bus Program.

We have begun lobbying for statewide funding for bus replacement, particularly for counties in attainment areas (non-attainment areas have other sources of funding for the lower emission school bus program). We have also been arguing for the next step in bus replacement: determining the next bus age threshold that will allow the program to continue into the future. Currently the program only will replace pre-1994 buses.

Also attached is a September 2, 2014 letter from the California Air Resources Board that clarifies the dismantling requirements for the Lower Emission School Bus Program (LESBP).

### **FUEL "TAX"**

Lately there has been conversation about a new fuel tax. There is no new fuel tax. There is, however, the potential for increased fuel costs due to the California Air Resources Board expanding their Cap and Trade program to include fuel refiners. This is an action and timeline that the ARB adopted several years ago and this portion of it is set to occur on January 1, 2015. "Cap and Trade" refers to the State's bold initiative to reduce industrial pollution. They place on cap on emissions for all kinds of industries. If an industry cannot meet the cap and they exceed it, they pay a fine. Those extra funds can be used by the State for programs that enhance air quality (think mass transit...how about school transportation!!). If an industry is below the cap, they can trade their excess good amount to other industries (other industries would pay them for that). It is expected that fuel refiners in California will not be able to meet the cap and will pay the fines. The increased cost of this is expected to be passed on to the consumer in the form of higher gasoline prices. This is not a tax. Attached is a summary of a report recently done that determines the probability of additional at-the-pump costs for California motorists. There is likely a potential impact on school transportation costs. There are some legislators that have raised this issue in a public fashion, however, there is not, as far as I know, any effective effort to roll back this initiative.

### **SCHOOL BUS DRIVER'S DAY RESOLUTION**

Annually California declares the fourth Tuesday in April as School Bus Driver's Day. This year it falls on April 28, 2015. CASTO secures a legislator to sponsor the resolution.

### **HPH 82.7 PRICE AND AVAILABILITY**

The cost of this handbook has been increased recently to \$10.00 plus tax each for the paper copy. This is available at CHP offices. The document is also available as a Compact Disk (CD) for \$5.38. This price includes tax. To order the CD, request it on a Company letterhead and include the payment to:

California Highway Patrol  
Publications Unit-Attention: Colette Bonar  
P.O. Box 942898  
Sacramento, CA 94298-0001

## **LEGISLATION**

### **SCHOOL TRANSPORTATION FUNDING BILL**

We understand that the California School Boards Association (CSBA) will be taking the lead on the school transportation funding reform bill this year. We expect that the same associations and more will be joining the effort to fix our funding. We do not yet know who the legislator will be. We also expect to introduce several other pieces of legislation that are intended to address and clean up critical issues if the main bill does not pass. These may just be placeholder bills for right now. The clean up issues will be: requiring at least a COLA for school transportation, requiring that CDE continues to collect data, allowing school transportation entities to transfer programs and funds between each other, reinstate the small school district bus replacement program, and continue to fund school transportation JPAs.

This is the beginning of the first year of a two-year legislative session. New bills are being introduced now and the deadline for submission will be late February, 2015.

**NEW 2015 LEGISLATION**

Usually at the beginning of each year, the California DMV and CHP issue summary sheet of new laws and regulations. At the time of this writing they have not yet been issued. If they are before the meeting, I will have copies for you.