



# DOAA

Georgia Department  
of Audits & Accounts

**Greg S. Griffin**  
State Auditor

January 4, 2024

Honorable Viola Davis  
State Representative  
409-G Coverdell Legislative Office Bldg.  
Atlanta, Georgia 30334

SUBJECT: Fiscal Note  
House Bill 712 (LC 49 1079)

Dear Representative Davis:

This bill would revise the calculation and distribution of student transportation funds by the State Board of Education to school systems. It would require the calculation to include bus drivers' health insurance costs, other vehicles used to transport students, and students who live within 1.5 miles of schools but cannot walk safely or travel to school without a motor vehicle. The bill also increases the minimum salary for drivers. The State Board of Education would be required to distribute to each school system up to 100% of projected costs of the system's student transportation program.

As shown in Table 1, data provided by the Georgia Department of Education (GaDOE) indicates that the bill would have cost the state an additional \$907.1 million if it had been enacted in FY24. While the full cost of the bill would be \$1.05 billion, a portion of that cost is offset by the existing funding for student transportation.

<b>Table 1: Cost Breakdown of Projected Fiscal Impact</b>	
Operations	\$557,084,928
Driver Salaries	283,759,366
Health Insurance	207,005,280
Bus Insurance	5,363,360
Funds for Extended Miles	2,097,450
Drug Testing	<u>578,654</u>
<b>Total projected cost</b>	<b><u>\$1,055,889,038</u></b>
Less: FY24 Pupil Transportation Grant	\$148,750,195
<b>Additional Student Transportation Cost</b>	<b><u>\$907,138,843</u></b>

The assumptions used to calculate the cost are discussed below.

- Data does not distinguish between students who can and cannot get to school safely, the estimate does not include students within 1.5-mile range of a school.

- Data does not exist on the use of school vehicles other than buses. As a result, this estimate only reflects the use of traditional school buses, and the cost would increase if other vehicles are included.
- Salaries, health insurance, and drug testing costs are based on updating the current pupil transportation formula based on the requirements outlined in this bill. Health insurance is based on the current per member per month rate, and future increases would result in additional costs to the state.
- GaDOE does not have current data to update the extended mileage portion of the calculation. Existing data is based on an older survey which would need to be updated to reflect the actual number.

**Table 1** shows the projected cost for each year, assuming every category is expended at 100%.

Respectfully,



Greg S. Griffin  
State Auditor



Richard Dunn, Director  
Office of Planning and Budget

GSG/RD/ew