

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: HB93-ER

House of Origin	<input type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input checked="" type="checkbox"/>	Enrolled

2. Patron: Albo

3. Committee: Passed both houses

4. Title: Pupil transportation; insurance requirements.

5. Summary: Increases the minimum amount of vehicle liability insurance required to be carried by public schools in the instances of property damage, medical expense payment coverage, and accidents when all persons are injured.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate. See item 8.

8. Fiscal Implications: This legislation would amend section 22.1-190 of the *Code of Virginia* to increase the vehicle liability and property damage insurance coverage for public school transportation vehicles from \$200,000 to \$500,000 for injury, including death, to all persons injured in any one accident; from \$10,000 to \$50,000 for damage, including destruction, to the property of any person, other than the insured; and from \$1,000 to \$5,000 for medical expense coverage for each person injured. In addition, taxicabs used to transport students under contract with a local school division would be required to maintain insurance coverage that provides at least \$50,000 for injury, including death, to one person; \$200,000 for injury, including death, to all persons injured in any one accident; \$10,000 for damage, including destruction, to the property of any person other than the insured; and medical expense payment coverage of at least \$1,000 for each person injured, or in such higher amounts as required by the contract with the local school division or local ordinance.

This legislation is anticipated to have a fiscal impact on local school divisions since expanded insurance coverage would be mandated; however, the extent of the impact is dependent on the level of existing coverage in each school division. The Department of Education does not maintain this data so an estimate of the number of divisions impacted by this legislation is not immediately available.

It is also anticipated that this legislation could have a fiscal impact on state resources since pupil transportation costs are based on prevailing averages of school division costs. This additional local cost could impact the pupil transportation costs that are included in the Direct Aid to Public Education rebenchmarking calculations in future biennia. However, it is not

possible to estimate the potential fiscal impact to the state in future biennia at this time since it is not yet known how this legislation will affect expenditures in each local school division.

9. Specific Agency or Political Subdivisions Affected: Local school divisions.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 3/6/2012

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