

**75TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
SENATE FINANCE AND REVENUE COMMITTEE**

**MEASURE: SB 610 A
CARRIER: Sen. Burdick**

**REVENUE: Revenue Impact Issued
FISCAL: Minimal Fiscal Impact, no statement issued**

Action: Do Pass with Amendments and be printed A-Eng.

Vote: 5-0-0

Yeas: Hass, Morse, Rosenbaum, Telfer, Burdick

Nays: 0

Exc.: 0

Prepared By: Steve Meyer, Economist

Meeting Dates: 4/16

WHAT THE BILL DOES: Expands approved school transportation costs included in the school formula transportation grant. Includes costs to retrofit or replace diesel powered buses to reduce or eliminate diesel engine emissions, but excludes any costs paid with money from the Clean Diesel Engine Fund that is deposited into the Fund by the state. First applies to 2009-10.

ISSUES DISCUSSED:

Student health consequences of riding aging diesel school buses.

Incentives to encourage retrofitting and replacement of aging diesel school buses.

Federal funds from the Clean Diesel Engine Fund being included in school formula transportation costs.

EFFECT OF COMMITTEE AMENDMENTS:

The amendment replaces the original bill content except for the effective date.

BACKGROUND:

Part of HB2172 passed in 2007 modified approved transportation costs to exclude monies received by a school district to repower, retrofit or replace school buses to reduce or eliminate diesel engine emissions. It also excluded transportation costs paid with funds from the Clean Diesel Engine Fund. The legislation required the Department of Environmental Quality (DEQ) to track and report to the Legislature on the progress made. DEQ data indicates that during the 2007-09 interim 20 school districts will retrofit 370 school buses using grants equaling \$783,360 from DEQ and EPA.

School districts may be reluctant to retrofit or replace aging diesel buses unless costs are fully reimbursed. Federal funds typically cover only a portion of the cost. Currently costs paid from the Clean Diesel Engine Fund (federal and state dollars) are not included as approved transportation costs for inclusion in the school formula transportation grant. Federal stimulus dollars are expected to be available for deposit into the Fund. Inclusion of federal funds passed through the Clean Diesel Fund in approved transportation costs would provide additional school formula transportation grant funding for further retrofitting and replacement of aging diesel buses.

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