



**THE COUNCIL OF THE CITY OF NEW YORK
FINANCE DIVISION
PRESTON NIBLACK, DIRECTOR
FISCAL IMPACT STATEMENT**

PROPOSED INTRO. NO: 622-A

COMMITTEE: Environmental Protection

TITLE: A Local Law to amend the administrative code of the city of New York, in relation to retrofitting of and age limitations on diesel fuel-powered school buses.

SPONSOR: By Council Members Gonzalez, Brewer, Dilan, Fidler, Gerson, James, Liu, Mark-Viverito, Palma, Seabrook, Vacca, White Jr., Arroyo, Gennaro, and Vallone Jr.

SUMMARY OF LEGISLATION: This legislation provides an addition to the current administrative code adding a mandatory retirement of all diesel run school buses 16 years old and older as well as providing for the retrofitting of currently operating diesel powered school buses (that do not meet Federal EPA standards) with closed crankcase ventilation systems. The crankcase retrofitting of designated diesel powered buses will be phased in as follows: 50% by September 01, 2010 and 100% by September 01, 2011. The approximate cost of this retrofitting will be \$2,086,000 for a total of 2,086 buses at \$1,000 per installation. The total buses requiring a retrofit exclude any buses that will be replaced under this legislation and any newer buses that already meet the emission standards.

The retirement of diesel powered school buses 16 years old and older will include 1,072 more buses than would be retired under the current vintage at a cost to the City of \$21,064,511 over the 2011-2015 time period, with costs fluctuating year to year based on how many buses that will require replacement. This total represents the City's net cost as the State will reimburse half of the total bus replacement cost of \$42,129,022. It is estimated that 677 buses will be replaced in Fiscal Year 2011 at a cost to the City of \$4,957,085.

The Department of Education would also be required to submit to the Mayor and the Speaker of the City Council an annual report no later than December 31st of 2011 and each successive calendar year stating the age and crankcase retrofit status of each diesel powered school bus under contract. Failure to comply with this legislation will result in a fine of \$1,000 to \$10,000 and amount deemed twice that of the savings the offender received through non-compliance.

EFFECTIVE DATE: This local law would take effect on July 1, 2010.

FISCAL YEAR IN, WHICH FULL FISCAL IMPACT ANTICIPATED: Fiscal 2009

FISCAL IMPACT STATEMENT:

	Effective FY10	FY Succeeding Effective FY11	Full Fiscal Impact FY10
Revenues (+)	\$0	\$0	\$0
Expenditures (-)	\$0	\$6,000,085	\$0
Net	\$0	\$6,000,085	\$0

IMPACT ON REVENUES: There is potential for fine revenue from this legislation but full compliance is expected making the revenue impact negligible.

IMPACT ON EXPENDITURES: The impact on expenditures resulting from the enactment of this legislation will be \$6,000,085 in Fiscal Year 2011 and \$17,150,426 from Fiscal Year 2012 through Fiscal Year 2015.

SOURCE OF FUNDS TO COVER ESTIMATED COSTS: General Fund

SOURCE OF INFORMATION: The Mayor's Office of Operations and the Department of Education
Council Finance Division

ESTIMATE PREPARED BY: Jonathan Rosenberg, Deputy Director
Nathan Toth, Assistant Director

HISTORY: This legislation was introduced as Int. 622 by the Full Council and referred to the Committee on Environmental Protection on September 25, 2007. The Committee on Environmental Protection held a hearing on Int. 622, amendment 622-A was proposed and laid over on September 8, 2009. The committee will reconsider the legislation as Proposed Int. 622-A on September 17, 2009.