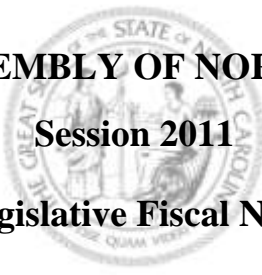


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2011

Legislative Fiscal Note

BILL NUMBER: Senate Bill 667 (First Edition)

SHORT TITLE: Permit Advertising on School Buses.

SPONSOR(S): Senator Forrester

FISCAL IMPACT					
	Yes ()	No (x)	No Estimate Available ()		
	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>
REVENUES					
State Impact:		None			
Local School Districts:	Indeterminate				
EXPENDITURES					
State Impact:		None			
Local School Districts:	Indeterminate				
POSITIONS (cumulative): None					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: State Board of Education, Local Boards of Education and Local School Administrative Units (school districts)					
EFFECTIVE DATE: Beginning with the 2011-12 school year.					

BILL SUMMARY: This bill authorizes local school boards to contract, at the board’s direction, for sale of advertising space on the sides of school buses. Proceeds of these sales may only be used by school superintendents to pay bonuses to exemplary teachers. Certain types of advertising are prohibited, including solicitations for tobacco or alcohol products as well as displays containing political advocacy or religious content. Additionally, the advertisements must not impede the safety of students riding the bus.

ASSUMPTIONS AND METHODOLOGY: North Carolina’s 115 local school districts (LEAs) are the owners of the yellow school buses used for the conveyance of public school students to and from school. While many of these buses are bought by the Department of Public Instruction with State funds in its management of the statewide school bus fleet, they are ultimately property of an LEA. As such, the sale of advertising on school buses will have no direct fiscal impact on State resources. Local school boards will be the sole recipient of any additional revenues generated through the sale of advertising and are compelled to use those funds solely to provide bonuses to “exemplary teachers”.

LEAs currently are authorized to sell advertising on activity buses used to transport students to extracurricular activities. According to the Department of Public Instruction's Transportation Services staff, there have been few instances where an LEA has sold advertising on an activity bus. However, it is unclear whether the market for activity bus advertising is comparable to the much larger "regular" yellow school bus fleet. There are insufficient data to suggest how many districts would utilize the option to sell advertising on the yellow bus fleet, the potential market for the advertising, and expected net return after accounting for the costs related to modifying the buses to include the advertising. Therefore, this analysis is unable to reliably estimate the potential net revenues and expenditures generated by this bill at the school district level.

SOURCES OF DATA: Department of Public Instruction

TECHNICAL CONSIDERATIONS: None

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DATE: June 7, 2011



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