

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19s0127/1	Introduction Number SSA1-SB423	
Description lead testing of drinking water sources in certain schools; providing loans for lead remediation in certain schools; and a revenue limit adjustment for a school district for costs incurred to remediate lead contamination in drinking water sources at schools in the school district		
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Costs 3. <input checked="" type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Agency/Prepared By DPI/ Erin Fath (608) 266-2804	Authorized Signature Erin Fath (608) 266-2804	Date 1/7/2020

Fiscal Estimate Narratives

DPI 1/7/2020

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Assumptions Used in Arriving at Fiscal Estimate

This substitute amendment modifies 2019 SB 423, introduced September 17, 2019. The amendment includes several modifications to the original bill:

1. Adds school board-established child care centers to the bill (as "schools" subject to the bill's requirements);
2. Replaces the exception to referenda restrictions for lead testing/remediation with a revenue limit exemption process, to allow a school board to levy for a lead testing/remediation project;
3. Places a limit on the revenue limit exemption amount (no more than 3% of district's total 2019-20 levy);
4. Modifies testing parameters;
5. Requires the Department of Health Services to create guidance documents and requires DPI and several other agencies to post guidance/information on their websites; and
6. Disallows funds from the Safe Drinking Water Loan Program (SDWLP) to be used to reduce the principal and interest rates on loans issued by the BPLC to schools for costs of lead testing/remediation (a provision of the original SB 423).

Local: Indeterminate

As did the original SB 423, the modifications included in this SSA 1 to SB 423 have the general effect of providing school districts, independent charter schools, and private schools participating in a parental choice program or the Special Needs Scholarship Program with a means to generate additional resources to address lead testing and remediation in schools.

The Department does not currently collect data on lead concentrations in water in school buildings, and thus is unable to estimate how many schools would be required to develop and implement lead remediation plans, or to project likely costs of lead testing/remediation efforts. To the extent that school boards make use of the revenue limit exemption created in the amendment, school property taxes would increase. However, the local fiscal impact due to this bill is indeterminate.

State: Indeterminate

New administrative responsibilities for DPI created under SSA 1 to SB 423 would likely be absorbed within existing staff resources.

There is no fiscal impact to DPI or to the state's general fund with respect to revenue limit exemption created under SSA 1 to SB 423; revenue limit exemptions borne entirely by the property tax levy, thus there is no fiscal effect on the state due to this provision in the amendment.

Finally, like the original bill, SSA 1 to SB 423 permits the Board of Commissioners of Public Lands (BCPL) to use school trust funds to issue loans to school districts and other municipalities for the purpose of lead remediation

(the amendment does not permit the buy down of principle/interest payments with use of SDWLP monies). There may be impacts on the school trust fund as a result of this bill, but DPI is not in a position to assess those potential impacts.

Long-Range Fiscal Implications

Research has consistently supported the hypothesis of the causal relationship between lead exposure on a child's physical and mental development, including cognitive function: Low-Level Lead Exposure and the IQ of Children – a Meta-Analysis of Modern Studies, Needleman & Gatsonis (JAMA, 1990); and The Long-Term Effects of Exposure to Low Doses of Lead in Childhood — An 11-Year Follow-up Report, Needleman, et al. (NEJM, 1990). To the extent that the lead testing provisions and resulting lead abatement/remediation efforts reduce exposure to lead among children in schools, children's general development/health could be expected to improve. That argument alone may be sufficient for support of the provisions included in the bill.

To the extent that detrimental impacts of lead exposure on a child's cognitive development impair that child's functioning in school, the child may receive services from the school that go beyond the general educational programming provided to all children. It is possible that the anticipated increase in operational expenditures associated with this bill (from testing requirements) may eventually be offset by reductions in the costs to schools associated with providing certain educational services for children who would not otherwise require those educational services, absent the exposure to lead. Such an outcome would likely take several years to be realized; further, a direct, causal relationship could only be established with a robust evaluation and cost-benefit analysis.