

Fiscal Estimate Narratives

DPI 2/7/2005

LRB Number 05-0225/2	Introduction Number AB-67	Estimate Type Original
Subject State assistance for school transportation biodiesel purchases		

Assumptions Used in Arriving at Fiscal Estimate

This bill permits the Department of Administration (DOA) to provide state financial assistance to school districts that utilize bio-diesel fuel for school bus transportation purposes to cover the increased cost of utilizing this fuel as compared to the cost of utilizing petroleum-diesel fuel those purposes. The bill directs DOA to apply for federal financial assistance to cover the cost of providing state assistance, and redirects state school transportation aids currently appropriated to the Department of Public Instruction (DPI) for the purpose of matching the federal aids received by DOA in the minimum amount required to obtain full federal financial participation.

If in any fiscal year there are insufficient moneys available to reimburse school districts for the full amount of reimbursement for which school districts qualify, the bill directs DOA to prorate the available moneys among the school districts entitled thereto on a per pupil basis. Under the bill, aids are paid to each school district in each fiscal year based upon the costs incurred by the school district for the purchase of bio-diesel fuel for school bus transportation purposes in the preceding fiscal year as compared to the statewide average cost of petroleum-diesel fuel for that fiscal year.

State Fiscal Effect:

While this bill could result in a redirection of state school transportation aids, it does not affect the total appropriated level of aid. Thus, there would be no fiscal effect to the DPI under this bill.

Long-Range Fiscal Implications