

### Fiscal Estimate - 2005 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> <b>05-0225/2</b>	<b>Introduction Number</b> <b>AB-67</b>	
<b>Subject</b> State assistance for school transportation biodiesel purchases		
<b>Fiscal Effect</b>		
<b>State:</b> <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 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 type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
<b>Agency/Prepared By</b> DOA/ Mary Massey (608) 267-2099	<b>Authorized Signature</b> Martha Kerner (608) 266-1359	<b>Date</b> 2/11/2005

## Fiscal Estimate Narratives

DOA 2/11/2005

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

### Assumptions Used in Arriving at Fiscal Estimate

If enacted, this bill would require DOA to apply for federal funds to cover the increased costs to school districts of bio-diesel as compared to petroleum diesel. Currently the primary federal funds available are through the EPA's Clean School Bus USA program. On a national basis, \$7.5 million has been allocated in 2005 for this program. Future grant funding is unknown. Grants are on a competitive basis with approximately 20 grants issued each year. Grants include both retrofits of existing vehicles as well as fuel subsidies. The minimum match (state/local) is 5%, though grant applications with higher than minimum match are awarded additional points in the grant ranking process.

DOA estimates that the initial grant application process to EPA and the work associated with administering the grant and making sub-awards to implement the program would require 4 to 8 weeks of staff effort the first year (\$4,800 to \$9,600) and approximately 3 to 4 weeks in subsequent years (\$3,600 to \$4,800). The assumption is that existing staff will be used. Each year, an additional \$500 would be required for travel and supplies associated with this program. DOA notes that of the 20 grants awarded only two were strictly for bio-diesel (\$21,406 to Littleton Public Schools in Colorado for use in its fleet of 67 diesel buses and \$4,500 to Missoula, Montana for use in 8 diesel buses). The use of bio-diesel was also a part of two other larger grant awards (\$350,000 and \$250,000); however, the focus of these two awards was in making equipment modifications on the buses.

### Local Fiscal Effects:

It is unknown whether any school district in the state is currently using bio-diesel fuel for school bus transportation. Furthermore it does not appear that existing bio-diesel programs are eligible for Clean School Bus USA grants. However, if other grant programs were identified, a school district that already uses bio-diesel could receive new revenue if the DOA receives appropriate federal funding. The additional revenue received by these districts is indeterminate.

If a school district begins to use bio-diesel fuel as a result of this bill and the DOA receives sufficient federal funding to reimburse each district's increased costs of using bio-diesel as compared to the cost of using petroleum diesel there would minimal fiscal effect. Each school district could be required to initially pay the additional costs of purchasing bio-diesel and could be reimbursed by the state.

If a school district begins to use bio-diesel fuel as a result of this bill and the DOA receives no or insufficient federal funding to reimburse each district's increased costs of using bio-diesel, each participating school district's costs would increase by an indeterminate amount.

Furthermore, the bill would redirect funds currently appropriated for state school transportation aids for the purposes of matching federal aids received by DOA in the minimum amount required to obtain full federal financial participation. If DOA expended transportation aids for the purpose of matching federal aids, each school district not participating in the bio-diesel program would have their transportation aid reduced.

### Long-Range Fiscal Implications

Unknown

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>05-0225/2</b>		<b>Introduction Number</b> <b>AB-67</b>	
<b>Subject</b>			
State assistance for school transportation biodiesel purchases			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
\$4,800 to \$9,600 for start-up program costs.			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$4,000		
(FTE Position Changes)			
State Operations - Other Costs	500		
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$4,500</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED	4,500		
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>	
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State	Local	
<b>NET CHANGE IN COSTS</b>	<b>\$4,500</b>	<b>\$</b>	
<b>NET CHANGE IN REVENUE</b>	<b>\$</b>	<b>\$</b>	
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
DOA/ Mary Massey (608) 267-2099		Martha Kerner (608) 266-1359	
		<b>Date</b>	
		2/11/2005	