



State of Wisconsin  
2005 - 2006 LEGISLATURE

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**SENATE SUBSTITUTE AMENDMENT 1,  
TO 2005 SENATE BILL 39**

February 28, 2005 – Offered by Senator LEIBHAM.

1 **AN ACT** *to amend* 20.255 (2) (cr) and 121.58 (6); and *to create* 121.575 of the  
2 statutes; **relating to:** school transportation bio-diesel fuel cost assistance and  
3 making an appropriation.

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***Analysis by the Legislative Reference Bureau***

This substitute amendment permits the Department of Public Instruction (DPI) to provide state financial assistance to school districts that utilize bio-diesel fuel for school bus transportation to cover the increased cost of utilizing this fuel as compared to the cost of utilizing petroleum-diesel fuel for school bus transportation. The substitute amendment directs DPI, in conjunction with the Department of Administration, to apply for federal financial assistance to cover the cost of providing state assistance, and uses state school transportation aids to match the federal aids received by DPI in the minimum amount required to obtain full federal financial participation. If in any fiscal year insufficient moneys are available to reimburse school districts for the full amount of reimbursement for which school districts qualify, the substitute amendment directs DPI to prorate the available moneys among the entitled school districts on a per pupil basis. Under the substitute amendment, 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 in the preceding fiscal year as compared to the statewide average cost of petroleum–diesel fuel for that fiscal year.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 20.255 (2) (cr) of the statutes is amended to read:

2           20.255 (2) (cr) *Aid for pupil transportation.* The amounts in the schedule for  
3 the payment of state aid for transportation of public and private school pupils under  
4 subch. IV of ch. 121 and for assistance under s. 121.575 (3).

5           **SECTION 2.** 121.575 of the statutes is created to read:

6           **121.575 School transportation bio-diesel fuel cost assistance.** (1) In  
7 this section:

8           (a) “Bio–diesel fuel” has the meaning given in s. 16.045 (1) (c).

9           (b) “Petroleum–diesel fuel” has the meaning given for “diesel fuel” in s. 78.005  
10 (5), but does not include bio–diesel fuel.

11           **(2)** (a) The department may provide school transportation aids to school  
12 districts for the increased costs incurred by districts in utilizing bio–diesel fuel as  
13 compared with the costs of utilizing petroleum–diesel fuel for school bus  
14 transportation.

15           (b) If the department determines to provide aids to school districts under par.  
16 (a), the department, in conjunction with the department of administration, shall  
17 apply to the federal government for bio–diesel fuel cost assistance for the purpose of  
18 financing payment of the aids. The department shall disburse federal aids received  
19 from the appropriation under s. 20.255 (2) (m).

20           **(3)** If the federal government requires, as a condition of full federal financial  
21 participation under sub. (2) (b), that this state provide assistance for the purposes

1 of sub. (2) (a) from state resources, the department shall provide the assistance from  
2 the appropriation under s. 20.255 (2) (cr) in the minimum amount required to obtain  
3 full federal financial participation.

4 (4) (a) Any school district that utilizes bio-diesel fuel for school bus  
5 transportation may apply to the department for state assistance to finance the costs  
6 of utilizing that fuel. Except as provided in sub. (5), the department shall apportion  
7 assistance to school districts on the basis of the increased costs incurred by each  
8 school district in utilizing bio-diesel fuel as compared to the cost that the school  
9 district would have incurred in utilizing petroleum-diesel fuel for school bus  
10 transportation in the fiscal year preceding the fiscal year for which aids are paid, as  
11 adjusted to reflect any change in the statewide average cost of bio-diesel fuel for the  
12 current fiscal year as compared to the statewide average cost of such fuel for the  
13 preceding fiscal year.

14 (b) For purposes of par. (a), if a school district does not utilize bio-diesel fuel  
15 for some or all of the school bus transportation provided by the school district in any  
16 fiscal year, the department shall compute and utilize, for purposes of this subsection,  
17 the cost differential that the school district would have incurred in utilizing  
18 bio-diesel fuel on the basis of statewide average costs.

19 (c) The department shall annually determine the statewide average cost of  
20 bio-diesel fuel and petroleum-diesel fuel for purposes of administration of this  
21 subsection.

22 (d) If in any fiscal year there are insufficient moneys available to reimburse all  
23 school districts that apply for state assistance under par. (a) for the full amount of  
24 reimbursable costs under this subsection, the department shall, after making any

1 required deduction under sub. (5), prorate the available moneys among the school  
2 districts entitled thereto on a per pupil basis.

3 (5) Each school district that receives aids under sub. (2) (a) for any fiscal year  
4 shall report to the department, in the form prescribed by the department, a  
5 statement of its actual costs incurred in utilizing bio-diesel fuel for school bus  
6 transportation in that fiscal year. If the actual increased costs incurred by a school  
7 district in utilizing bio-diesel fuel for school bus transportation in any fiscal year, as  
8 compared to the costs that the school district would have incurred in utilizing  
9 petroleum-diesel fuel for school bus transportation, are less than the amount of the  
10 aids received by the school district under sub. (2) (a) for that fiscal year, the  
11 department shall deduct the amount of the difference from the amount of the aids  
12 payable to the school district under sub. (2) (a) for the current fiscal year.

13 **SECTION 3.** 121.58 (6) of the statutes is amended to read:

14 121.58 (6) APPROPRIATION PRORATED. If the appropriation under s. 20.255 (2) (cr)  
15 in any one year is insufficient to pay the full amount of approved claims under this  
16 section, state aid payments shall be prorated among the school districts entitled  
17 thereto for school districts not participating in the program under s.121.575 shall be  
18 prorated as though the minimum amount under s. 121.575 (3) had not been made  
19 and state aid payments for school districts participating in the program under s.  
20 121.575 shall be prorated after deducting the minimum amount under s. 121.575 (3).

21 (END)