

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0935-01
Bill No.: HB 368
Subject: Education, Elementary and Secondary: Elementary and Secondary Education
 Dept; Energy
Type: Original
Date: February 21, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue*	\$0 to (\$1,042,314)	\$0 to (\$1,084,007)	\$0 to (\$1,127,367)
Total Estimated Net Effect on General Revenue Fund*	\$0 to (\$1,042,314)	\$0 to (\$1,084,007)	\$0 to (\$1,127,367)

***Subject to appropriation**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
State School Moneys	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Natural Resources** and **Department of Economic Development - Public Service Commission** and **Office of Public Counsel** stated this proposal would not have a fiscal impact on their respective agencies.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the school districts will utilize the maximum amount allowed under the original bill (HB 453 - 2001). Based on seven-tenths of a percent of the 1998-1999 school year entitlement authorized by Section 163.161, RSMo (State aid for transportation) which was \$132,373,402 and a 4 percent growth for three years, the maximum effect of the original proposal was:

2002-03	\$132,373,402 x .007 = \$ 926,614
2003-04	\$ 926,614 x 1.04 = \$ 963,678
2004-05	\$ 963,678 x 1.04 = \$1,002,225
2005-06	\$ 1,022,225 x 1.04 = \$1,042,314

ASSUMPTION (continued)

Extending the sunset to the 2011-12 school year would calculate to the following maximum amount:

2006-07	\$1,042,314 x 1.04 = \$1,084,007
2007-08	\$1,084,007 x 1.04 = \$1,127,367
2008-09	\$1,127,367 x 1.04 = \$1,172,462
2009-10	\$1,172,462 x 1.04 = \$1,219,360
2010-11	\$1,219,360 x 1.04 = \$1,268,135
2011-12	\$1,268,135 x 1.04 = \$1,318,860

Officials from the **Department of Agriculture (AGR)** did not respond to a request for fiscal note, but in the original bill (HB 453 - 2001), AGR stated that they did not expect the proposal to affect their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2006	FY 2007	FY 2008
GENERAL REVENUE			
<u>Costs</u> - Transfers to State School Moneys Fund*			
	\$0 to (\$1,042,314)	\$0 to (\$1,084,007)	\$0 to (\$1,127,367)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND*			
	<u>\$0 to</u> <u>(\$1,042,314)</u>	<u>\$0 to</u> <u>(\$1,084,007)</u>	<u>\$0 to</u> <u>(\$1,127,367)</u>
*Subject to appropriation			
STATE SCHOOL MONEYS FUND			
<u>Income</u> - Transfers from General Revenue Fund			
	\$0 to \$1,042,314	\$0 to \$1,084,007	\$0 to \$1,127,367
<u>Cost</u> - Distributions to School Districts			
	\$0 to <u>(\$1,042,314)</u>	\$0 to <u>(\$1,084,007)</u>	\$0 to <u>(\$1,127,367)</u>
ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND			
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006	FY 2007	FY 2008
SCHOOL DISTRICTS			
<u>Income</u> - Increased state aid	\$0 to \$1,042,314	\$0 to \$1,084,007	\$0 to \$1,127,367
<u>Costs</u> - Difference between market price of diesel and cost of biodiesel	\$0 to <u>(\$1,042,314)</u>	\$0 to <u>(\$1,084,007)</u>	\$0 to <u>(\$1,127,367)</u>
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses which are biodiesel fuel distributors, manufacturers or retailers and new generation cooperatives could be affected by this proposal.

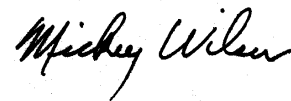
DESCRIPTION

This proposal extends the expiration date of the Biodiesel for Schools Program from the 2005-2006 school year to the 2011-2012 school year. The program allows school districts to establish contracts with nonprofit, farmer-owned new generation cooperatives to supply bus fuel containing at least 20% biodiesel.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
 Department of Natural Resources
 Department of Economic Development
 Public Service Commission
 Office of Public Counsel
 Department of Agriculture



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