

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4651S.07I
 Bill No.: SB 1075
 Subject: Children and Minors; Education, Elementary and Secondary; Health, Public;
 Water Resources and Water Districts
 Type: Original
 Date: April 5, 2022

Bill Summary: This proposal creates a grant program to provide funding to schools to mitigate lead in drinking water.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	(\$74,552) to Could exceed (\$2,620,360)	Could exceed (\$79,299)	Could exceed (\$80,090)
Total Estimated Net Effect on General Revenue	(\$74,552) to Could exceed (\$2,620,360)	Could exceed (\$79,299)	Could exceed (\$80,090)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Safe Drinking Water in Schools Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Transfers in and distributions net to zero.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Federal Funds	\$0 or Could exceed (\$2,545,808)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 or Could exceed (\$2,545,808)	\$0 or (Unknown)	\$0 or (Unknown)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Local Government*	\$0	\$0	\$0

*Transfers in and distributions net to zero

FISCAL ANALYSIS

ASSUMPTION

Section 701.250 - Get the Lead Out Act

Officials from the **Office of Administration - Budget and Planning (B&P)** state, to the extent new appropriations are made from GR for this purpose, resources otherwise available for other budget priorities might be reduced. Any gifts, contributions, grants, or bequests given to the Safe Drinking Water in Schools Fund would increase total state revenue by an unknown amount. This creates the Safe Drinking Water in Schools Fund in section 701.250.7(1). This fund is subject to

appropriation. The fund shall consist of moneys appropriated to it as well as any gifts, contributions, grants, or bequests received.

Officials from the **Department of Elementary and Secondary Education (DESE)** state, subject to American Rescue Plan Fund availability, DESE estimates the cost of Filtered Water Drinking stations to range from \$859,200 - \$2,545,808.

DESE estimates the cost of one filtered water drinking station to be \$1,600. The total number of schools in Missouri with Free and Reduced Price Lunch counts of above 70 percent is 537.

To place one station in each school would cost \$859,200 (537 x \$1,600)

Total enrollment in said schools is 159,113.

To place a station based on 1:100 students would cost \$2,545,808 ((159,113/100) x \$1,600)

DESE anticipates the need for one (1) Supervisor FTE (\$42,436) to monitor and implement grants to the school districts.

Officials from the **Department of Health and Senior Services, Office of the State Treasurer** and the **Department of Natural Resources** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight notes this proposal prioritizes the placement of filters in schools where the Free and Reduced Price Lunch population is 70% or higher. However, this proposal does not limit it to those schools.

Oversight notes fall enrollment for the 2020-2021 school year was 859,332. Assuming a cost of \$1,600 per filter, the cost to place a station based on 1:100 students is estimated at \$13,749,312 statewide. Oversight will show a cost to school districts that could exceed the estimate provided by DESE in FY 2023 and an unknown cost in future years for maintenance or replacement costs. Also, installing filters at cafeteria sinks, ice machines, or other sources of water at schools would add to the potential cost of the grant program.

Oversight assumes only school districts who receive a grant under this proposal would be required to provide filtered drinking water. Therefore, the costs to schools would net to zero.

Oversight assumes the grants shall be awarded using funds received from the federal American Rescue Plan Act (ARPA). In addition, DESE is to work with the DNR to assist schools in purchasing filters including the use of any funds the DNR has from the federal Infrastructure Investment and Jobs Act. Oversight will show a transfer out of federal funds to the Safe Drinking Water in Schools Fund.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2023	FY 2024	FY 2025
GENERAL REVENUE			
<u>Costs - DESE - §701.250</u>			
Personnel Service	(\$35,363)	(\$42,860)	(\$43,289)
Fringe Benefits	(\$23,331)	(\$28,151)	(\$28,307)
Expense & Equipment	(\$15,858)	(\$8,288)	(\$8,494)
<u>Total Costs -</u>	(\$74,552)	(\$79,299)	(\$80,090)
FTE Change	1 FTE	1 FTE	1 FTE
<u>Transfer Out - DESE - to Safe Drinking Water In Schools Fund - §701.250</u>	\$0 or Could exceed (\$2,545,808)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(\$74,552) to Could exceed (\$2,620,360)	Could exceed (\$79,299)	Could exceed (\$80,090)
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE
FEDERAL FUNDS			
<u>Transfer Out - to the Safe Drinking Water in Schools Fund - from ARPA funds and/or Infrastructure Investment and Jobs Act - §701.250</u>	\$0 or Could exceed (\$2,545,808)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	\$0 or Could exceed (\$2,545,808)	\$0 or (Unknown)	\$0 or (Unknown)

SAFE DRINKING WATER IN SCHOOLS FUND			
<u>Transfer In</u> - from General Revenue - §701.250	\$0 or Could exceed \$2,545,808	\$0 or Unknown	\$0 or Unknown
<u>Transfer In</u> - from Federal Funds - §701.250	\$0 or Could exceed \$2,545,808	\$0 or Unknown	\$0 or Unknown
<u>Income</u> - from grants, gifts, bequests and donations - §701.250	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer Out</u> - to School Districts - §701.250	\$0 or (Could exceed \$2,545,808)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT SAFE DRINKING WATER IN SCHOOLS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023	FY 2024	FY 2025
PUBLIC SCHOOLS			
<u>Transfer In</u> - from the Safe Drinking Water in Schools Funds - §701.250	\$0 or Could exceed \$2,545,808	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - for purchase, installation and maintenance of filters - §701.250	\$0 or (Could exceed \$2,545,808)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON PUBLIC SCHOOLS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act establishes the "Get the Lead Out Act". The act requires the Department of Elementary and Secondary Education (DESE) to create a grant program to provide funding to schools to mitigate lead in drinking water by installing filters on drinking water sources that reduce lead concentration levels to below one part per billion. The grant amounts shall be determined by DESE and shall be awarded based on the total amount that a school invests in the installation of filters using funds received from the federal American Rescue Plan Act of 2021.

DESE shall prioritize awarding grants to schools in which more than 70% of students qualify for free or reduced price lunch and elementary schools.

Schools shall receive funding for filter installation by May 31, 2023.

DESE shall inform schools about the grant program by creating a link on DESE's website with information about the grant program and information on the hazards of lead contamination to young children.

The Department of Natural Resources may partner with DESE to assist schools with the purchase, installation, and maintenance of filters.

Once funds from the federal American Rescue Plan Act of 2021 are no longer available, the grant program shall stop awarding grant funds.

This act contains an emergency clause.

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

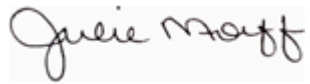
Department of Elementary and Secondary Education
Department of Natural Resources
Department of Health and Senior Service
Office of the State Treasurer
Office of the Secretary of State
Joint Committee on Administrative Rules

L.R. No. 4651S.071

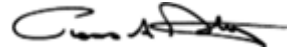
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A handwritten signature in cursive script that reads "Julie Morff". The signature is written in black ink on a light-colored background.

Julie Morff
Director
April 5, 2022

A handwritten signature in cursive script that reads "Ross Strobe". The signature is written in black ink on a light-colored background.

Ross Strobe
Assistant Director
April 5, 2022