

Multiple Agency Fiscal Note Summary

Bill Number: 2973 HB	Title: School buses
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Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Licensing	0	(843,750)	0	(4,218,750)	0	(7,593,750)
Total \$	0	(843,750)	0	(4,218,750)	0	(7,593,750)

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2007-09			2009-11			2011-13		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.0	0	(843,750)	.0	0	(4,218,750)	.0	0	(7,593,750)
Total	0.0	\$0	\$(843,750)	0.0	\$0	\$(4,218,750)	0.0	\$0	\$(7,593,750)

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

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Prepared by: Garry Austin, OFM	Phone: 360-902-0564	Date Published: Final 1/24/2008
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 18620

Individual State Agency Fiscal Note

Bill Number: 2973 HB	Title: School buses	Agency: 240-Department of Licensing
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND		FY 2008	FY 2009	2007-09	2009-11	2011-13
Motor Vehicle Account-State	108-1		(843,750)	(843,750)	(4,218,750)	(7,593,750)
	Total \$		(843,750)	(843,750)	(4,218,750)	(7,593,750)

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
Fund					
Total \$					

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/18/2008
Agency Preparation: Sally McVaugh	Phone: 360-902-3642	Date: 01/23/2008
Agency Approval: Sam Knutson	Phone: 360-902-3644	Date: 01/23/2008
OFM Review: Garry Austin	Phone: 360-902-0564	Date: 01/23/2008

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
A-Salaries & Wages					
B-Employee Benefits					
C-Personal Serv Contr					
E-Goods and Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency Fund Transfers					
N-Grants, Benefits Services					
P-Debt Service					
S-Interagency Reimbursement					
T-Intra-Agency Reimbursement					
Total:	\$0	\$0	\$0	\$0	\$0

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Part II: Explanation

This bill would exempt school buses, whether operated by a school district or a commercial chartered bus service, from paying the special fuel tax imposed under RCW 82.38.030. An exemption of twenty percent would begin in fiscal year 2009 and increase yearly until fiscal year 2013 when the exemption would be one hundred percent for that fiscal year only.

II. A – Brief Description of What the Measure Does that Has Fiscal Impact

Section 1 (1) (k)—exempts school buses, whether operated by a school district or a commercial chartered bus service, from paying the special fuel tax imposed under RCW 82.38.030.

Section 1 (1) (k) (i)—In fiscal year 2009, the fuel use is exempt from twenty percent of the tax rate.

Section 1 (1) (k) (ii)—In fiscal year 2010, the fuel use is exempt from forty percent of the tax rate.

Section 1 (1) (k) (iii)—In fiscal year 2011, the fuel use is exempt from sixty percent of the tax rate.

Section 1 (1) (k) (iv)—In fiscal year 2012, the fuel use is exempt from eighty percent of the tax rate.

Section 1 (1) (k) (v)—In fiscal year 2013, the fuel use is exempt from one hundred percent of the tax rate.

Section (4)—makes this bill effective July 1, 2008.

Workload Indicator	<u>FY 08</u>	<u>FY 09</u>	<u>07-09 Total</u>	<u>09-11 Total</u>	<u>11-13 Total</u>
Gallons of Special Fuel Used by School Buses		11,250,000	11,250,000	22,500,000	22,500,000
			-		

II. B – Cash Receipt Impact

Section 1 provides for a temporary reduction in special fuel tax for fuel used by school buses. Starting in fiscal year 2009, the reduction is 20% of the tax. That reduction increases by 20% each fiscal year until 2013 when it reaches 100%. The bill is silent on the tax exemption after fiscal year 2013 therefore eliminating the exemption after that year.

During the 2007 legislative session, the Office of the Superintendent of Public Instruction (OSPI) provided estimates on the number of gallons of fuel used by school buses. They assumed 500,000 miles are driven by school buses per day for the 180 day school year. Dividing this amount by an average of 8 miles per gallon would equal 1,125,000 gallons of diesel fuel used each year. The fuel tax in fiscal year 2009 is \$.375.

The following tables show the changes in the fuel tax rate and the calculations of the change in revenue to the Motor Vehicle Account:

Fuel Tax Rate Change

Fiscal Year	2008	2009	2010	2011	2012	2013
Current Tax Rate	\$0.375	\$0.375	\$0.375	\$0.375	\$0.375	\$0.375

Proposed Tax Rate	\$0.375	\$0.300	\$0.225	\$0.150	\$0.075	\$0.000
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Revenue Change to Motor Vehicle Account

Gallons of Fuel	11,250,000	11,250,000	11,250,000	11,250,000	11,250,000	11,250,000
Revenue @ Current Tax Rate	\$ 4,218,750	\$ 4,218,750	\$4,218,750	\$ 4,218,750	\$ 4,218,750	\$ 4,218,750
Revenue @ Proposed Tax Rate	\$ 4,218,750	\$ 3,375,000	\$2,531,250	\$ 1,687,500	\$ 843,750	\$ -
Difference	0	-\$843,750	-\$1,687,500	-\$2,531,250	-\$3,375,000	-\$4,218,750

Cash Receipts	<u>FY 08</u>	<u>FY 09</u>	<u>07-09 Total</u>	<u>09-11 Total</u>	<u>11-13 Total</u>
Motor Vehicle Account	-	(843,750)	(843,750)	(4,218,750)	(7,593,750)
Total Revenue	-	(843,750)	(843,750)	(4,218,750)	(7,593,750)

II. C – Expenditures

Part III: Expenditure Detail

III. A – Expenditures by Object or Purpose

III. A (1) – Detail of Expenditures by Sub-Object for Goods & Services

III. A (2) – Detail of Expenditures by Fund

Additional information about assumptions and impacts is available directly from the Department of Licensing at 902-3644.

III. B – FTE Detail EXPENDITURE DETAIL – STAFF

III. B – Expenditures by Program (optional)

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

None

Individual State Agency Fiscal Note

Bill Number: 2973 HB	Title: School buses	Agency: 350-Supt of Public Instruction
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
Fund					
General Fund-Private/Local 001-7	0	(843,750)	(843,750)	(4,218,750)	(7,593,750)
Total \$	0	(843,750)	(843,750)	(4,218,750)	(7,593,750)

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/18/2008
Agency Preparation: Troy Klein	Phone: (360) 725-6294	Date: 01/23/2008
Agency Approval: Melissa Beard	Phone: (360) 725-6019	Date: 01/23/2008
OFM Review: Amy Skei	Phone: 360-902-0572	Date: 01/23/2008

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The language in HB 2973 section 1 states that school buses, whether operated by a school district or a commercial chartered bus service are exempted from fuel taxes provided in RCW 82.38.030 to the extent that is illustrated below:

- i) In fiscal year 2009, the use is exempt from 20% of the tax rate;
- ii) In fiscal year 2010, the use is exempt from 40% of the tax rate;
- iii) In fiscal year 2011, the use is exempt from 60% of the tax rate;
- iv) In fiscal year 2012, the use is exempt from 80% of the tax rate; and
- v) In fiscal year 2013, the use is exempt from 100% of the tax rate.

Section 2 states that tax levied under RCW 82.08.020 does not apply to sales of fuel for use in school buses, whether operated by a school district or a commercial chartered bus service to the extent provided in RCW 82.38.080.

Section 3 states that the provisions of chapter RCW 82.12 do not apply with respect to the use of fuel in the operation of school buses, whether operated by a school district or a commercial chartered bus service to the extent provided in RCW 82.38.080.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

This legislation will have no expenditure impact on the office of the superintendent of public instruction (OSPI), but will have an expenditure impact on school districts in terms of saving them money that would otherwise be used to pay for fuel tax. Based on a statewide estimate of 90,000,000 school bus miles driven (this amount remains fairly constant) at 8 miles per gallon and a fuel tax rate of .375 cents as of July 1, 2008 the following amounts can be estimated as the potential savings to school districts.

Fiscal Year	Gallons of Fuel	State Fuel Tax Rate	State Fuel Tax Amount	Percent Exempt	Amount Saved
FY2009	11,250,000	\$.375	\$4,218,750	20%	\$ 843,750
FY2010	11,250,000	\$.375	\$4,218,750	40%	\$1,687,500
FY2011	11,250,000	\$.375	\$4,218,750	60%	\$2,531,250
FY2012	11,250,000	\$.375	\$4,218,750	80%	\$3,375,000
FY2013	11,250,000	\$.375	\$4,218,750	100%	\$4,218,750

Based on the Joint Legislative Audit and Review Committee's finding that Pupil Transportation is underfunded approximately \$100 million annually (based on 2004-05 school year information), OSPI does not assume that this savings would be deducted from district apportionment.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		(843,750)	(843,750)	(4,218,750)	(7,593,750)
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$(843,750)	\$(843,750)	\$(4,218,750)	\$(7,593,750)

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.