

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2245H.02I
 Bill No.: HB 995
 Subject: Education, Elementary and Secondary; Department of Elementary and Secondary Education; Public Health; Health and Senior Services
 Type: Original
 Date: February 10, 2025

Bill Summary: This proposal modifies provisions governing lead in school drinking water.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Federal Funds*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

*Income and distributions net to zero.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

- 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 2026	FY 2027	FY 2028
Local Government*	\$0	\$0	\$0

*Oversight notes the transfer in from federal funds and costs to school districts for lead remediation net to zero.

FISCAL ANALYSIS

ASSUMPTION

§160.077 - Modifies the "Get the Lead Out of School Drinking Water Act"

Officials from the **Department of Health and Senior Services (DHSS)** assume the proposal will have no fiscal impact on their organization.

Oversight notes that DHSS provided that the testing program outlined in 701.200 was voluntary and has been superseded by the GLOS program/statutes.

DHSS provided the information on the table below that shows the expenditures of the GLOS program since implementation.

	SFY22	SFY23	SFY24	YTD SFY25	Total
PS	0	33,351.06	237,951.26	175,676.97	446,979.29
EE	0	-	8,302.57	17,100.73	25,403.30
Total PS & EE		33,351.06	246,253.83	192,777.70	472,382.59
GLOS School Invoices	0		173,589.00	4,182,102.11	4,355,691.11
TOTALS for All	0	33,351.06	419,842.83	4,374,879.81	4,828,073.70

Upon further inquiry with DHSS, **Oversight** notes that the GLOS school invoices are reimbursed with federal monies.

Oversight notes, TAFP HB 3020 (2023) appropriated \$27 million for grants to schools for lead remediation from the Coronavirus State Fiscal Recovery – Health and Economic Impacts Fund (2463) which accounts for America Rescue Plan moneys.

Officials from the **Department of Elementary and Secondary Education** and **Department of Natural Resources** both assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

Officials from **Washington School District** assume with 11 different school buildings from an Early Learning Center, 7 Elementary Schools, Middle School, High School, and Career center, they initially tested 467 water outlets with 335 meeting the statutory level of 5 ppb or less. That testing cost and remediation cost the district over \$50,000 to exceed statutory levels that are higher than restaurant facilities are expected to be tested at. With this new bill, they are looking at the potential of an additional \$10,000-\$15,000.

Oversight notes the proposal requires that lead filters meet the standards set by the Department of Natural Resources (DNR). Oversight has no way to determine how many filters would need to be replaced or installed with each school district. Oversight assumes that there will be an unknown cost to school districts if their test proves the water source is contaminated. Oversight will reflect a zero or unknown cost to schools to install new filters in the fiscal note.

Oversight assumes there will be a cost for school buildings constructed after January 4, 2014, which were not required to install, maintain, and replace filters but would now have to conduct maintenance and replace filters to be in compliance. Oversight was unable to determine how many schools this would affect. Therefore, Oversight will reflect a zero or unknown cost to school districts in the fiscal note.

Oversight notes this proposal allows school districts to seek federal funds for reimbursement for compliance incurred under this proposal. Oversight will show a range of impact to Federal Funds of \$0 (no federal funds) to an unknown transfer from Federal Funds to school districts. The fiscal impact to school districts will net to zero if federal funds are available for reimbursement.

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 2026 (10 Mo.)	FY 2027	FY 2028
FEDERAL FUNDS			
<u>Income – program reimbursements</u> §160.077 p.3	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer Out - to school districts for funding for filtration, testing, and other remediation efforts - §160.077 p.3</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON FEDERAL FUNDS*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

*Income and distributions net to zero.

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
SCHOOL DISTRICTS			
<u>Transfer In - from Federal Funds</u> §166.077 p.3	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs - to school districts for lead filtration, testing, and other remediation efforts - §160.077 p.3</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

*Oversight notes the transfer in from federal funds and costs to school districts for lead remediation net to zero.

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Currently there are two Missouri statutes that address lead contamination in school water. This bill modifies the "Get the Lead Out of School Drinking Water Act" and the definitions of "drinking water outlet" and "remediation". A "drinking water outlet" now includes outlets that are used for cleaning cooking or eating utensils and "remediation" now excludes flushing and adds filtering the water.

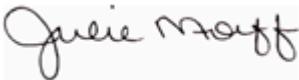
The bill requires that lead filters meet the standards set by the Department of Natural Resources and allow for the removal of a water outlet from service as an option if lead contamination is discovered.

This bill specifies that if all drinking water outlets in a school have test results of less than five parts per billion for lead, the school is only required to be tested every five years. The bill repeals provisions regarding school districts serving students under first grade that were constructed before 1996.

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 Health and Senior Services
Department of Natural Resources
Office of the Secretary of State
Joint Committee on Administrative Rules
Washington School District



Julie Morff
Director
February 10, 2025



Jessica Harris
Assistant Director
February 10, 2025