

Fiscal Estimate - 2001 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-4326/2	Introduction Number AB-879
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Subject
 Discontinue counting 4-year-old kindergarten pupils in membership

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input checked="" type="checkbox"/> Decrease Revenue <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.255 (2) (ac)	

Agency/Prepared By DPI/ Keith Pollock (608) 266-1344	Authorized Signature Michael Bormett (608) 266-2804	Date 3/12/02
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Fiscal Estimate Narratives

DPI 3/12/02

LRB Number	01-4326/2	Introduction Number	AB-879	Estimate Type	Original
Subject					
Discontinue counting 4-year-old kindergarten pupils in membership					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a four-year-old kindergarten (4K) pupil enrolled in a program offering 437 hours of instruction is counted as 0.5 FTE regardless of the hours of instruction offered, unless the program provides at least 87.5 additional hours of outreach activities in which the pupil is counted as 0.6 FTE.

Under this bill, a K4 pupil would not be included in a school district's membership for state aid or membership purposes. Furthermore, a school district would not be allowed to include any expenditure for a 4K program in its shared cost, or levy a property tax for a 4K program, unless the school board adopts a resolution stating its intention to do so and the resolution is approved at a referendum. Approval of a referendum is valid for five years. This provision would likely have the effect of reducing statewide membership. The number of districts that would hold successful referenda is indeterminate; however, it is likely that it would reduce statewide revenue limit authority by a significant amount.

State Fiscal Effect:

The number of school districts that would hold successful referenda is indeterminate. However, under this bill, the number of K4 pupils counted for state aid and revenue limits would likely be reduced. This assumed statewide membership decrease would likely reduce statewide revenue limits (partial school revenues). Therefore, the state would be required to reduce general school aids required to maintain its two-thirds funding commitment.

Local Fiscal Effects:

The assumed decrease in statewide membership and subsequent decrease in partial school revenues would likely reduce school district property taxes statewide.

Long-Range Fiscal Implications

The full effect of the membership reduction provided by this bill would be phased in because membership for revenue limit purposes is based on a three-year average. Therefore, in 2003-04, the reduction in school districts' revenue limit statewide (partial school revenues) due to the elimination 4K membership provided by this bill would double and triple in 2004-05, as the total number of reduced FTE would be phased out and could no longer be counted for revenue limit purposes. State and local savings saving would also double in 2003-04 and triple in 2004-05.