

Fiscal Estimate - 2003 Session

Original Updated Corrected Supplemental

LRB Number 03-0151/1	Introduction Number AB-100
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Subject

State aid to newly created school districts

Fiscal Effect

State:

No State Fiscal Effect

Indeterminate

<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase 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 Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs

Local:

No Local Government Costs

Indeterminate

1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<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	

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	Authorized Signature	Date
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Fiscal Estimate Narratives

DPI 3/19/2003

LRB Number	03-0151/1	Introduction Number	AB-100	Estimate Type	Original
Subject					
State aid to newly created school districts					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a new school district may be created by detaching territory from one or more existing districts. However, because state general equalization aids distribution is based on prior year data, the newly created district would not receive aid in the first year of its existence. This bill would allow the newly created district to receive state aid in the first year, and levy an amount equal to its revenue limit as prescribed under current law.

Under current law, each school district from which territory is detached to create a school district is allowed to have its revenue limit increased by five percent of the amount of general equalization aid the district would receive in year that the reorganization takes place.

For a school district from which territory was detached to create a school district under Wis. Stats. 117.105, in each of the 3 years beginning on the July 1 following the effective date of the reorganization under Wis. Stats. 117.105, the primary and secondary cost ceilings are multiplied by 1.05 and rounded to the next lower dollar; the primary, secondary, and tertiary guarantees are multiplied by 1.05 and rounded to the next lower dollar.

Furthermore, each school district from which territory was detached to create a school district is allowed to have its revenue limit increased by five percent of the amount of general equalization aid that the district would receive in the year that the reorganization takes place. If a school district would be created under this provision, statewide revenue limits or partial school revenues would slightly increase and would require that the state increase general equalization aids by two-thirds the amount of the revenue limit exemption.

This bill provides that the department shall compute state aid for any school with territory that was detached to create a school district and the newly created school district as if that new district had been in existence in the prior school year. For the purpose of calculating state aid, the department shall compute each school district's shared cost on the basis of the school district's share of the aggregate membership in all school districts.

State Fiscal Effects:

This bill has the potential to increase the number of new districts from detached territories of other districts. Therefore, it is possible that partial school revenues could be increased and the state would be required to provide additional funding in order to meet the two-thirds funding commitment. However, the potential for this is indeterminate. In addition, state administrative costs for determining state would increase if new school districts were created under the provisions of this bill.

Local Fiscal Effects:

If additional districts would be created under this bill, there would be additional general equalization aid distributed through the general equalization formula in order to meet the state's two-thirds funding commitment. Also, aid would be redistributed among districts. However, the potential for this is indeterminate.

Long-Range Fiscal Implications