

Fiscal Estimate Narratives

DOR 3/24/2004

LRB Number	03s0449/1	Introduction Number	ASA1- AB938	Estimate Type	Supplemental
Subject Supplemental aid for declining enrollment school districts					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a school district is eligible for "supplemental aid" of \$350 per enrolled pupil if it meets the following criteria: (a) an area of at least 200 square miles, (b) an enrollment of fewer than 500 pupils, and (c) at least 80% of the real property is exempt from taxation, taxed as forest cropland, or is tribal land. "Supplemental aid" is paid from a separate annual appropriation.

Under the bill, if any funds remain in the appropriation after current law payments are made, a school district is eligible for "supplemental aid" of \$350 per enrolled pupil if it meets the following criteria: (a) an area of at least 475 square miles and (b) an enrollment decline of more than 12% between the 2000-01 and 2003-04 school years. If the remaining funds are not sufficient to make these additional payments in full, the additional payments are to be prorated.

Under the bill, a school district is eligible for "additional aid" of \$500 per pupil enrolled in the previous year if it meets the following criteria: (a) an area of at least 475 square miles and (b) a decline in the membership used to calculate equalization aids of more than 12% between the 2000-01 and 2003-04 school years. "Additional aid" is paid from a separate annual appropriation. If the appropriation is not sufficient to make "additional aid" payments in full, payments are to be prorated. "Additional aid" payments would begin in the 2004-05 school year.

The Department of Revenue does not have data to determine if any funds would be available under the "supplemental aid" provision to distribute under the bill. However, based on area data from the 2000 U. S. Census and membership data from the Department of Public Instruction, it appears that one school district, Florence, would qualify for "additional aid" under the bill. Based on preliminary enrollment data for 2003, it appears that the entire \$385,000 appropriated for "supplemental aid" payments would be used in the 2004-05 school year. Future years' payments could differ, depending on changes in enrollments.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Supplemental aid for declining enrollment school districts			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance	385,000		
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$385,000		\$
B. State Costs by Source of Funds			
GPR	385,000		
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	State		Local
NET CHANGE IN COSTS	\$385,000		\$
NET CHANGE IN REVENUE	\$		\$+385,000
Agency/Prepared By		Authorized Signature	
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		Date	
		3/24/2004	