

### Fiscal Estimate - 2003 Session

Original     
  Updated     
  Corrected     
  Supplemental

**LRB Number**    **03s0449/1**     
 **Introduction Number**    **ASA1-AB938**

**Subject**  
 Supplemental aid for declining enrollment school districts

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
- Increase Existing Appropriations
- Decrease Existing Appropriations
- Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
  - Yes
  - No
- Decrease Costs

**Local:**

- No Local Government Costs
- Indeterminate
- 1.  Increase Costs
- 2.  Decrease Costs
- 3.  Increase Revenue
- 4.  Decrease Revenue
- 5. Types of Local Government Units Affected
  - Towns
  - Counties
  - School Districts
  - Village
  - Others
  - WTCS Districts
  - Cities
- Permissive  Mandatory
  - Permissive  Mandatory
  - Permissive  Mandatory
  - Permissive  Mandatory

**Fund Sources Affected**      **Affected Ch. 20 Appropriations**  
 GPR  
  FED  
  PRO  
  PRS  
  SEG  
  SEGS 20.255(2)(ad), (ae)

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DPI/ Michael Bormett (608) 266-2804	Michael Bormett (608) 266-2804	3/24/2004

## Fiscal Estimate Narratives

DPI 3/24/2004

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

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, a school district with an area of at least 200 square miles and an enrollment of fewer than 500 pupils, and in which at least 80 percent of the real property is exempt from taxation, is taxed as forest cropland, or is tribal land, is eligible for supplemental state aid of \$350 per enrolled pupil.

This bill provides that, if in any fiscal year the amount appropriated for Supplemental Aid is not fully expended, the balance will be used to provide a payment of \$350 per enrolled pupil to any school district that is at least 475 square miles in area and that experienced a decline in enrollment of more than 12 percent between the 2000-01 school year and the 2003-04 school year. The bill also creates and funds a new separate categorical aid program ("Additional Aid") that provides \$500 per pupil to the same school districts.

#### State Fiscal Effect

The bill provides \$385,000 GPR annually in 2004-05 through 2008-09 for the new categorical ("Additional Aid") grant. It is assumed that all grant funds will be awarded each year.

In addition, the current Supplemental Aid appropriation is projected to lapse approximately \$25,000 in 2003-04 and each year thereafter to the General Fund. This bill would require these funds to be paid to the newly-eligible school district. Therefore, the GPR lapse will be reduced by \$25,000 annually.

#### Local Fiscal Effect

It is assumed that only one school district, Florence, would be eligible for the new grant in 2004-05, using current data. It is assumed that the full \$385,000 grant will be paid out to the school district.

In addition, Florence school district will be eligible for any remaining funds under the current Supplemental Aid appropriation, estimated to be \$25,000 in 2003-04 and each year thereafter.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>03s0449/1</b>		Introduction Number <b>ASA1-AB938</b>	
<b>Subject</b>			
Supplemental aid for declining enrollment school districts			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance	385,000		
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$385,000</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR	385,000		
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State		Local
NET CHANGE IN COSTS	\$385,000		\$0
NET CHANGE IN REVENUE	\$		\$410,000
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
DPI/ Michael Bormett (608) 266-2804		Michael Bormett (608) 266-2804	
		<b>Date</b>	
		3/24/2004	