

### Fiscal Estimate - 2005 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>05-2009/1</b>		<b>Introduction Number</b> <b>AB-170</b>	
<b>Subject</b>			
Two-thirds funding of school costs			
<b>Fiscal Effect</b>			
<b>State:</b>			
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate			
<input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget			
<input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs			
<b>Local:</b>			
<input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		4. <input type="checkbox"/> Decrease Revenue <input 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 type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts			
<b>Fund Sources Affected</b>		<b>Affected Ch. 20 Appropriations</b>	
<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)			
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DPI/ Michael Bormett (608) 266-2804		Michael Bormett (608) 266-2804	3/7/2005

## Fiscal Estimate Narratives

DPI 3/7/2005

LRB Number <b>05-2009/1</b>	Introduction Number <b>AB-170</b>	Estimate Type <b>Original</b>
<b>Subject</b> Two-thirds funding of school costs		

### Assumptions Used in Arriving at Fiscal Estimate

Starting with the 2006-07 fiscal year, this bill would require the Department of Public Instruction, the Department of Administration, and the Legislative Fiscal Bureau to annually certify to the Joint Committee on Finance (JCF) an estimate of the amount of general equalization aid that is necessary, in combination with other state categorical aids and the school levy tax credit, to fund two-thirds of statewide partial school revenues. The bill would also require the JCF to determine the amount of general equalization aid appropriated by June 30, 2006 and biennially by June 30th thereafter.

Partial school revenues, as defined by this bill, are estimated to be approximately \$8.37 billion in 2004-05. Using current law assumptions, partial school revenues are estimated to be approximately \$8.83 billion in 2006-07.

The state share of support for K-12 education in 2004-05, which totals \$5.33 billion, is estimated to be 63.7% of partial school revenues. Thus, assuming no change in other state school aids or credits or any statutory changes affecting school district's revenue limit authority in 2005-06 or 2006-07, the additional amount of general equalization aid in 2006-07 necessary to fund two-thirds of estimated 2006-07 partial school revenues would be approximately \$550 million.

The amount of general equalization aid necessary to meet this bill's intent for the JCF to appropriate the amount of general equalization necessary to fund two-thirds of partial school revenues in subsequent biennia is indeterminate.

### Long-Range Fiscal Implications