

Fiscal Estimate Narratives

DOR 1/10/2006

LRB Number	05-4270/1	Introduction Number	AB-891	Estimate Type	Original
Description The calculation of a school district's special adjustment aid and revenue limit when territory is detached from one or more school districts to create a new school district					

Assumptions Used in Arriving at Fiscal Estimate

Current law permits the creation of a new school district from parts of one or more existing school districts and provides for the calculation of a new school district's revenue limit. For state aid and revenue limit purposes, current law provides for no adjustments to prior year data for the school district or districts from which territory is detached to form a new school district.

The bill provides for data adjustments for the district or districts from which territory was detached to form a new school district. In general, the prior year data for these districts is adjusted to reflect the percentage of pupils in the district's former territory that continue to reside in the district.

Based on information from the Department of Public Instruction, proposals to create new school districts are rare. Currently, two such proposals are under discussion, both involving splitting an existing district into two districts: Shawano-Gresham and Monona Grove. Since the Department of Revenue does not certify state school aids or revenue limits, it is unable to estimate how the bill would affect state school aids, school district revenue limits, and school district property tax levies.

Long-Range Fiscal Implications