

Fiscal Estimate Narratives

DPI 1/31/2005

LRB Number	05-1634/1	Introduction Number	SB-28	Estimate Type	Original
Subject					
Levy limits for municipalities, counties, and technical college districts, and school district revenue limits					

Assumptions Used in Arriving at Fiscal Estimate

This bill sets the per pupil adjustment under school district revenue limits to \$120 in 2005-06 and \$100 in subsequent years. Under current law, the per pupil adjustment would be equal to approximately \$247 in 2005-06 and \$253 in 2006-07 and be adjusted for inflation in subsequent years.

Based on preliminary 2004-05 enrollment, it is estimated that the reduction in the per pupil revenue limit adjustment would reduce school district revenue limit authority by approximately \$109.6 million in 2005-06 and \$241.6 million in 2006-07. The actual amounts could differ from these estimates based on many factors, including changes in district pupil enrollment or use of the \$7,800 low-revenue ceiling provisions. School districts would not be able to raise their property tax levies to make up for this reduction in their revenue limit authority without going to referendum.

Long-Range Fiscal Implications

The annual effect on school district revenue limits under this bill would increase each year (assuming that under current law there would continue to be annual increasing adjustments to the per pupil amount). In addition, the effect on district revenue limit authority compared to current law would be cumulative.