



## Fiscal Estimate Narratives

DPI 2/9/2006

LRB Number	05-3451/1	Introduction Number	SB-514	Estimate Type	Original
<b>Description</b> Providing categorical aid to any school district that is completely surrounded by water					

### Assumptions Used in Arriving at Fiscal Estimate

Beginning in the 2006–07 school year, this bill provides \$180,000 annually in additional categorical aid to any school district that is completely surrounded by water (the Washington Island School District).

### State Fiscal Effect

The bill provides \$155,000 GPR annually beginning in 2006-07 for the new categorical grant in current appropriation 20.255(2)(ad), Supplemental Aid. Under the current law Supplemental Aid appropriation, 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. Only one school district, Laona, is eligible for this current grant in 2005-06.

In addition, the current Supplemental Aid appropriation is projected to lapse approximately \$25,000 in 2005-06 and each year thereafter to the General Fund. This bill would require these funds to be paid to the newly-eligible school district, Washington Island, since the bill only appropriates \$155,000 of the required \$180,000 payment. It is assumed that the projected \$25,000 balance was anticipated to be added to the \$155,000 to fund the full \$180,000 payment to Washington Island. Therefore, the GPR lapse will be reduced by \$25,000 annually.

### Local Fiscal Effect

Only the Washington Island school district will qualify for this new grant. District revenues will increase under this bill by \$180,000, assuming no need to prorate funds within the appropriation.

### Long-Range Fiscal Implications