

### Fiscal Estimate - 2013 Session

Original     
  Updated     
  Corrected     
  Supplemental

**LRB Number**    **13-3402/1**                     
 **Introduction Number**    **AB-0001 (OC3)**

**Description**  
 School district budgets and making an appropriation

**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                      3.  Increase Revenue
- Permissive    Mandatory                       Permissive    Mandatory
- 2.  Decrease Costs                      4.  Decrease Revenue
- Permissive    Mandatory                       Permissive    Mandatory
- 5. Types of Local Government Units Affected
- Towns                       Village                       Cities
- Counties                       Others
- School Districts                       WTCS Districts

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

|                                   |                               |             |
|-----------------------------------|-------------------------------|-------------|
| <b>Agency/Prepared By</b>         | <b>Authorized Signature</b>   | <b>Date</b> |
| DOR/ Daniel Huegel (608) 266-5705 | Michael Wagner (608) 266-6785 | 10/15/2013  |

## Fiscal Estimate Narratives

DOR 10/15/2013

|   |                                      |                        |
|---|--------------------------------------|------------------------|
| LRB Number 13-3402/1  | Introduction Number AB-0001<br>(OC3) | Estimate Type Original |
| <b>Description</b><br>School district budgets and making an appropriation |                                      |                        |

### Assumptions Used in Arriving at Fiscal Estimate

The bill increases the amount appropriated as general school aid. For the 2013-14 school year, general aid is increased by \$40,000,000 (from \$4,341,594,600 to \$ 4,381,594,600), which represents an increase of about 0.92%. For the 2014-15 school year, general aid is increased by \$60,000,000 (from \$4,415,960,500 to \$4,475,960,500), which represents an increase of about 1.36%.

Under current law, school districts operate under a revenue limit that caps the amount they can raise from property taxes and general school aids. Based on data from the revenue limit worksheets for the 2012-13 school year filed with the Department of Public Instruction in the autumn of 2012, there were 76 school districts that operated at less than their full revenue capacity. The total unused revenue capacity for these 76 districts was about \$44.5 million. It is therefore possible that a portion of the additional general school aid allocated under the bill may be used by school districts to increase spending. The Department of Revenue (DOR) is unable to reasonably estimate the extent to which the additional aid would be used to increase school spending as opposed to reducing the school property tax levy.

This bill also delays the date by which school boards must determine their property tax levy for the 2013-14 school year from November 1 to November 6.

The bill has no effect on administrative costs for the DOR.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
  Updated
  Corrected
  Supplemental

|  |  |                               |
|--|--|-------------------------------|
| <b>LRB Number</b> 13-3402/1  | <b>Introduction Number</b> AB-0001<br>(OC3)    |                               |
| <b>Description</b><br>School district budgets and making an appropriation  |  |                               |
| <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   | 100,000,000                                    |                               |
| Aids to Individuals or Organizations   |  |                               |
| <b>TOTAL State Costs by Category</b>   | <b>\$100,000,000</b>                           | <b>\$</b>                     |
| <b>B. State Costs by Source of Funds</b>   |  |                               |
| GPR  | 100,000,000                                    |                               |
| 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, ets.)</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>  |  |                               |
|  | <u>State</u>                                   | <u>Local</u>                  |
| NET CHANGE IN COSTS  | \$100,000,000                                  | \$                            |
| NET CHANGE IN REVENUE  | \$   | \$                            |
| <b>Agency/Prepared By</b>  |  |                               |
| <b>Authorized Signature</b>  |  | <b>Date</b>                   |
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|  |  | 10/15/2013                    |