

**FISCAL ESTIMATE**

ORIGINAL       UPDATED)

LRB or Bill No./Adm. Rule No.  
AB 20 (99-0393/1)

DOA-2048 (R10/92

CORRECTED       SUPPLEMENTAL

Amendment No. If Applicable

**Subject: Increasing a school district's revenue limit for debt service incurred to comply with an order issued by a court or by a state or federal agency.**

**Fiscal Effect**

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

Increase Existing Appropriation       Increase Existing Revenues

Decrease Existing Appropriation       Decrease Existing Revenues

Create New Appropriation

Increase Costs-May be possible to Absorb

Within Agency's Budget       Yes       No

Decrease Costs

Local:  No local government costs

1.  Increase Costs

Permissive       Mandatory

2.  Decrease Costs

Permissive       Mandatory

3.  Increase Revenues

Permissive       Mandatory

4.  Decrease Revenues

Permissive       Mandatory

5. Types of Local Governmental Units Affected:

Towns       Villages       Cities

Counties       Others \_\_\_\_\_

School Districts       WTCS Districts

**Fund Sources Affected**

GPR       FED       PRO       PRS       SEG       SEG-S

**Affected Ch. 20 Appropriations**

s. 20.255 (2) (ac)

**Assumptions Used in Arriving at Fiscal Estimate**

Current law generally limits the increase in the total amount of revenue that a school district may receive from general school aids and property taxes to \$206 per pupil in the 1997-98 school year and, in subsequent school years, to the amount of revenue increase allowed per pupil in the previous school year increased by the percentage change in the consumer price index. Several exceptions exist. A school district's limit is increased by funds needed to pay any general obligation debt service, including refinanced debt, authorized by a resolution of the school board or by referendum before August 12, 1993, and is increased by funds needed to pay any general obligation debt service, including refinanced debt, authorized by a referendum.

This bill increases a school district's revenue limit in any school year by the funds needed to pay any general obligation debt service, including refinanced debt, if the debt was contracted to comply with an order issued by a court or a state or federal agency and the borrowing was authorized by a resolution of the school board.

**Local Fiscal Effect:**

This bill, in effect, creates a new category of debt, differentiated from Fund 38. This would be non-referendum debt authorized by the school board. When the debt is paid back, the annual amount of debt payment will be an aidable cost, so only part of the cost will be borne by the district. The bill provides no dollar limit on the additional authority.

(continued)

**Long-Range Fiscal Implications**

Agency/Prepared by: (Name & Phone No.)

Rick Christofferson      261-6325  
Department of Public Instruction

Authorized Signature/Telephone No.

*Gina Frank-Reece*  
Gina Frank-Reece  
Policy & Budget Director      266-2804

Date

2-1-99

It is not possible to predict how often this will be used by districts, because one cannot predict the frequency and substance of future court and administrative orders.

**State Fiscal Effect:**

The amount needed to fund 2/3rds of partial school revenues would increase by the amount needed to fund the state-aid share of the debt repayments. The state fiscal effect is indeterminable because of the unpredictability of future orders.