

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB #2234/1

Introduction # AB 281

Admin. Rule #

Subject

Adjusting a school district's revenue limit for unanticipated expenditures and granting rule-making authority.

Fiscal Effect

State: No State Fiscal Effect
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:

Towns Villages Cities

2. Decrease Costs
 Permissive Mandatory

4. Decrease Revenues
 Permissive Mandatory

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), (1) (a)

Assumptions Used in Arriving at Fiscal Estimate

This bill increases a school district's revenue limit in any school year by an amount equal to the sum of the school district's unanticipated expenditures in the previous school year. An unanticipated expenditure is an expenditure for any of the following purposes that exceeds the school district's average expenditures for that purpose for the three previous years: utilities, maintenance, security, debt service on obligations issued to pay the costs of complying with federal laws and regulations, transportation, inservice related to educational technology changes in the curriculum, legal expense, development of peer review or mentoring programs for school district staff, special assessments for public improvements, and any other purpose specified by the Department of Public Instruction (DPI) by administrative rule.

Local Fiscal Effect

The amount of additional revenue that a school district may levy due to this bill is indeterminable because a school district's unanticipated expenditures in the future, enumerated in the bill, are unknown. However, if school districts' unanticipated expenditures exceed the average expenditures for that purpose for the three previous years and as a result school districts increase their levies, there would be significant increases in property taxes statewide.

State Fiscal Effect:

The bill would require DPI verify that an unanticipated expenditure exceeds the school district's average for that purpose for the three previous years. Furthermore, DPI would be given the authority to create additional revenue limit exemptions through rule making if it deems an expenditure is unanticipated.

(cont.)

Long-Range Fiscal Implications:

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 Gina Frank-Reece (608) 266-2804

Date

6/8/99
 6/8/99

The bill may increase total partial school revenues and, therefore, require a significant increase in state aid and the school tax levy credit in order to maintain the state's commitment to fund 2/3 of partial school revenues.

DPI estimates the increased responsibilities and authority under this bill would require one additional full-time school administration consultant. The total annual cost of this additional position would be \$74,100.

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

\$5,500

II. Annualized Costs:

A. State Costs by Category

	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
State Operations - Salaries and Fringes	\$62,400	\$ -
(FTE Position Changes)	(1 FTE)	(- FTE)
State Operations - Other Costs	\$6,200	-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$	\$ -

B. State Costs by Source of Funds

	Increased Costs	Decreased Costs
GPR	\$74,100	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		-

State Revenues Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)

	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ -

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$74,100	\$
NET CHANGE IN REVENUES	\$	\$

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