

FISCAL ESTIMATE FORM

(99-2557/1)

1999 Session

ORIGINAL
 CORRECTED

UPDATED
 SUPPLEMENTAL

LRB #2557/1

Introduction #SB 118

Admin. Rule #

Subject

Increasing a school district's revenue limit by a portion of a school district's handicapped education costs.

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

Affected Ch. 20 Appropriations

s. 20.835 (3) (b), s. 20.225 (2) (ac)

SEG-s

Local Effects:

Under current law, a school district is eligible to receive categorical state aid for its handicapped education costs. Certain costs are aided at 100%, certain costs are aided at 63% and certain costs are aided at 51%. If funding is insufficient to pay the full amount of aid, payments are prorated (see Table 1.0).

The bill provides that, if payments are prorated, a school district's revenue limit is increased by an amount equal to the difference between the amount that the school district is eligible to receive and the amount that the school district actually receives.

Based on FY98 data it is estimated that the difference between statutory and prorated reimbursement of handicapped education costs equals approximately \$221.7 million. Therefore, school districts statewide would be able to raise their levies by a maximum of \$221.7 million (see Table 1.1).

State Effects:


If school districts' levies are equal to the full \$221.7 million for handicapped education, partial school revenues would increase by that amount; requiring a maximum increase in state aid and the school tax levy credit of approximately \$146.3 million in the 1999-2000 school year in order to maintain the 2/3 commitment.

(continued)

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Date

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Table 1.0

Statutory v. Actual Prorated Special Education Reimbursement Levels

Handicapped Education Costs	Current Statutory Reimbursement Level	Actual Prorated Reimbursement Level
Transportation; and salaries for: teachers, aides, occupational and physical therapists, program supervisors and coordinators.	63%	34.89%
Salaries for: psychologists and social workers	51%	28.24%
Educating orthopedically impaired children in hospitals, cost of board, lodging, and transportation for non-resident students	100%	55.38%

Table 1.1

Difference Between Current Statutory Reinbursement v. Actual Prorated Special Education Reimbursement

Handicapped Education Costs	Statutory Reimbursement	FY99 Prorated Reimbursement	Projected Maximum Revenue Limit Increase
Transportation; and salaries for: teachers, aides, occupational and physical therapists, program supervisors and coordinators.	\$40,171,300	\$22,245,700	\$17,925,600
Salaries for: psychologists and social workers	\$456,630,800	\$252,869,300	\$203,761,500
Educating orthopedically impaired children in hospitals, cost of board, lodging, and transportation for non-resident students	\$442,300	\$434,200	\$8,100
TOTAL	\$497,244,300	\$275,549,200	221,695,200