

FISCAL ESTIMATE FORM

1999 Session

LRB # - 3220/1

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Introduction # Senate Bill 231

Admin. Rule #

Subject

Interdistrict transfer aid, bonding for construction of and capital improvements to schools in Milwaukee Public Schools and making an appropriation.

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

- | | | |
|---|---|--|
| <p>1. <input type="checkbox"/> Increase Costs
 <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> <p>2. <input type="checkbox"/> Decrease Costs
 <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> | <p>3. <input type="checkbox"/> Increase Revenues
 <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> <p>4. <input checked="" type="checkbox"/> Decrease Revenues
 <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory</p> | <p>5. Types of Local Governmental Units Affected:
 <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities
 <input type="checkbox"/> Counties <input type="checkbox"/> Others _____
 <input checked="" type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts</p> |
|---|---|--|

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

s. 20.255 (2) (ac), 20.255 (2) (ec)

Integration Aid (Chapter 220)

A) Intradistrict Aid

Under current law, the integration aid program distributes intradistrict transfer aid for each minority pupil that is transferred from an attendance area where minority attendance is above 30% to an attendance area where minority attendance is below 30%. Under the bill, the Milwaukee Public School District (MPS) may not receive intradistrict transfer aid for a certain percentage (target) of pupils who are transferred to a non-resident area without written parental permission. It is unknown whether this provision will have any state or local fiscal effects.

B) Interdistrict Aid

Under current law, a pupil who transfers from one school district to another under chapter 220 is counted as one pupil for state aid and revenue limit purposes by the school district in which the pupil resides. The bill would provide that in the 2001-02 school year, each pupil in the program would be counted as one-half pupil for state aid and revenue limit purposes by the school districts in which the pupil resides.

State Fiscal Effect: In the 2001-02 school year, the provision would decrease the amount of integration (sender) aid distributed to resident school districts by one-half. If this bill were in effect for the 1998-99 school year, the department of public instruction (DPI) estimates the state would have distributed \$13.6 million less integration aid to resident schools than in the 1997-98 school year. The integration aid, which is drawn from the equalization aid appropriation, would be redistributed among school districts.

Local Fiscal Effect: In the 2001-02 school year, resident school districts would receive one-half of the of integration (sender) aid they did in the 1998-99 school year. If this bill were in effect for the 1998-99 school year, the resident school districts would have received \$13.6 million less integration aid than in the 1997-98 school year.

The three-year rolling average used to determine a district's revenue increase under the limit would cushion the effects of the loss of (sender) integration aid. In the 1998-99 school year, school districts statewide would be able to levy for about \$8.9 million of the reduced aid and in the 1999-00 school year about \$4.5 million of reduced aid.

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Date

9/29/99
 9/29/99

Bonding Authority

Under current law, a redevelopment authority may carry out redevelopment and urban renewal projects. Under the bill, the redevelopment authority in the city of Milwaukee is specifically authorized to issue up to \$200 million in bonds to be used to finance capital improvements at the request of MPS. MPS may, with DPI's permission, use intradistrict transfer aid to pay debt service. It is unknown whether this provision would result in more capital improvements for MPS, what their costs would be.

Aid to Milwaukee Public Schools

Under current law, the department of public instruction distributes funds to the Milwaukee Public Schools for a variety of early childhood educational programs. The department's appropriation for this purpose is funded with general purpose revenue (GPR). The bill funds Daycare kindergarten programs and Alternative education programs with \$1.41 million from the federal temporary assistance for needy families block grant. Under the bill, the MPS Board would be required to fund All-day kindergarten, First Grade, and Extended-day programs at their current level. However, no state or federal aid is appropriated for this purpose.

State Fiscal Effect: This bill would reduce overall state GPR expenditures by \$8.0 million.

Local Fiscal Effect: MPS would be required to fund these programs at a cost of \$6.59 million.