

FISCAL ESTIMATE FORM

1999 Session

LRB #-3115/1

Introduction # Assembly Bill 439

Admin. Rule #

ORIGINAL
 CORRECTED

UPDATED
 SUPPLEMENTAL

Subject

Revenue limits of school districts with declining enrollments

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
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:

Under current law, a school district that loses enrollment in a comparison of the most recent three-year-rolling average enrollment to the next most recent three-year rolling average enrollment would receive a positive, nonrecurring annual revenue limit adjustment. The school district's revenue limit is increased for the 1998-99 school year by the additional average enrollment that would have been calculated had the decline in the three-year rolling average enrollment been 25% of what it was. This bill would extend the current law provision that only applies to the revenue limits calculated in the 1998-99 school year to make it permanent.

State Fiscal Effects:

Including all of the Joint Finance Committee's recommendations that affect school district revenue limits and enrollments, an estimated 181 school districts in the 1999-00 and 186 schools districts in the 2000-01 school years would be eligible for a declining enrollment limit adjustment. It is estimated that this provision would increase the cost of funding two-thirds of partial school revenues by approximately \$10.4 million in FY00 and \$13.5 million in FY01 compared to estimates of current law.

Local Fiscal Effects:

Under this bill, school districts statewide would be able to increase their revenue limits by approximately \$15.8 million in FY00 and by \$20.5 million in FY01. School districts under declining enrollment would be able to levy a maximum of \$5.4 million statewide in FY00 and \$7.0 million in FY01.

Long-Range Fiscal Implications:

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