

Fiscal Estimate Narratives

DPI 04/11/2001

LRB Number 01-2648/1	Introduction Number AB-288	Estimate Type Original
Subject School district bonds, notes, and revenue limits		

Assumptions Used in Arriving at Fiscal Estimate

This bill increases a school district's revenue limit in any school year by the amount spent by the school district in that school year for debt service on capital expenditures for building maintenance, remodeling, or renovation; utility costs; or educational technology. The amount of debt service excluded from a district's revenue limit under this bill shall not exceed an amount equal to \$350 multiplied by the number of pupils enrolled (This bill, as drafted, does not apply to the Milwaukee Public School District). If this bill had been in effect in 2000-01, and each school district in the state had incurred costs for the purposes provided for in the bill, it is estimated that school districts' revenue limits statewide could have increased by a maximum of approximately \$265.2 million (about 758,000 pupils X \$350).

State Fiscal Effect:

The bill would increase the amount needed for the state to meet its commitment to fund two-thirds of partial school revenues by a maximum of \$176.8 million GPR (\$265.2 million X 2/3). Because the amount that school districts will spend on the purposes provided by the bill is unknown, the exact increase in general school aids necessary to meet the state's two-thirds funding commitment is indeterminate.

The bill would result in additional calculations for school district revenue limits and, thus, increased workload for staff on the school financial services team. It is assumed that these increases could be absorbed within the agency's operating budget.

Local Fiscal Effect:

Local school districts could realize an increase in revenues as a result of this bill. If all school districts in the state were to raise their revenue limit by \$350 per pupil for capital expenditures for building maintenance, remodeling, or renovation; utility costs; or educational technology purposes as provided under this bill, local school property taxes could have increased by a maximum of \$88.4 million in FY01 (\$265.2 million X 1/3), on a statewide basis. However, since it is unknown how many districts would utilize this additional revenue limit authority, the local fiscal effect of this bill is indeterminate.

Long-Range Fiscal Implications