



## Fiscal Estimate Narratives

DPI 10/4/01

|   |                  |                     |               |               |                 |
|---|------------------|---------------------|---------------|---------------|-----------------|
| LRB Number  | <b>01-3612/1</b> | Introduction Number | <b>SB-261</b> | Estimate Type | <b>Original</b> |
| <b>Subject</b>  |                  |                     |               |               |                 |
| Revenue limit increase for increased cost of heating school buildings |                  |                     |               |               |                 |

### Assumptions Used in Arriving at Fiscal Estimate

Current law generally limits the increase in the total amount of revenue per pupil that a school district may receive from general school aids and property taxes in a school year to the amount of revenue increase allowed per pupil in the previous school year increased by the percentage change in the consumer price index.

This bill provides that a school district's revenue limit is increased by an amount equal to the increased cost of heating the school district's buildings in the current school year as compared to the previous school year.

According to data submitted by school districts to the department in their 1998-1999 and 1999-2000 annual reports (2000-2001 annual report data is currently not available), 325 school districts' heating costs increased in that period for a statewide total of about \$5.7 million and 101 districts' heating costs decreased by about \$4.2 million statewide in that period.

If this bill were in effect in the 1999-2000 school year and all eligible school district increased their revenue limit authority by the maximum amount as provided under this bill, statewide revenue limit authority or partial school revenue would increase by approximately \$5.7 million.

#### State Fiscal Effect

If this bill were enacted, general school aids would be increased by roughly \$3.8 million ( $2/3 \times \$5.7$  million) in order to maintain the state's two-thirds funding commitment.

#### Local Fiscal Effect

If this bill were enacted, school districts would be allowed to increase their school property tax levies by \$1.9 million ( $1/3 \times \$5.7$  million).

### Long-Range Fiscal Implications