

Fiscal Estimate Narratives

DPI 3/18/2004

LRB Number	03-3982/2	Introduction Number	SB-477	Estimate Type	Original
Subject					
Levy limits for local governments, school district revenue limits					

Assumptions Used in Arriving at Fiscal Estimate

This bill sets the per pupil adjustment under school district revenue limits to \$120 in 2004-05 and \$100 in subsequent years. Under current law, the per pupil adjustment would be equal to approximately \$241 in 2004-05 and be adjusted for inflation in subsequent years. Also under current law, a school district with per pupil revenue below \$7,400 in 2003-04 and below \$7,800 in subsequent years may raise its revenue limit to those levels in those respective fiscal years. Under this bill, the \$7,800 limit applies only if the school board adopts a resolution to that effect by a two-thirds vote. Otherwise, the \$7,400 limit applies.

Based on 2002-03 enrollment, it is estimated that the reduction in the per pupil revenue limit adjustment would reduce school district revenue limit authority \$100-110 million in 2004-05. The actual amounts could differ from these estimates based on many factors, including changes in district pupil enrollment or use of the \$7,800 low-revenue ceiling provisions. School districts would not be able to raise their property tax to make up for this reduction in their revenue limit authority without going to referendum.

It is not possible to estimate how many school districts would be unable to take advantage of the \$7,800 low-revenue ceiling provision with the two-thirds school board vote requirement. Thus, any effect on school district revenues is indeterminate.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject		
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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$	
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$	\$-100-110,000,000
Agency/Prepared By	Authorized Signature	Date
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