

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-2504/1	Introduction Number AB-417
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Subject
 Additional state aid to certain large-area, declining enrollment school districts

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input checked="" type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs	5. Types of Local Government Units Affected	
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
1. <input type="checkbox"/> Increase Costs	3. <input checked="" type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.255(2)(ad), (ae)	

Agency/Prepared By DPI/ Michael Bormett (608) 266-2804	Authorized Signature Michael Bormett (608) 266-2804	Date 7/12/2005
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Fiscal Estimate Narratives
DPI 7/12/2005

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Subject Additional state aid to certain large-area, declining enrollment school districts		

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a school district with an area of at least 200 square miles and an enrollment of fewer than 500 pupils, and in which at least 80 percent of the real property is exempt from taxation, is taxed as forest cropland, or is tribal land, is eligible for supplemental state aid of \$350 per enrolled pupil.

This bill provides that, if in any fiscal year the amount appropriated for Supplemental Aid is not fully expended, the balance will be used to provide a payment of \$350 per enrolled pupil to any school district that is at least 475 square miles in area and that experienced a decline in enrollment of more than 12 percent between the 2000-01 school year and the 2003-04 school year. The bill also creates and funds a new separate categorical aid program ("Additional Aid") that provides \$500 per pupil to the same school districts if an eligible district approves at a referendum an increase to the revenue limit equal to the amount of aid received under the new aid program.

State Fiscal Effect

The bill provides \$345,000 GPR annually in 2005-06 through 2007-08 for the new categorical ("Additional Aid") grant. It is not known whether any eligible school district would pass the required referendum in order to receive the grant funds. Therefore, it is not possible to assume that all grant funds will be awarded each year.

In addition, the current Supplemental Aid appropriation is projected to lapse approximately \$25,000 in 2005-06 and each year thereafter to the General Fund. This bill would require these funds to be paid to a newly-eligible school district. Therefore, the GPR lapse will be reduced by \$25,000 annually.

Local Fiscal Effect

It is assumed that only one school district, Florence, would be eligible for the new grant in 2005-06, using current data. It is not possible to predict whether the district would pass the required referendum in order to receive the full \$345,000 grant.

In addition, Florence school district will be eligible for any remaining funds under the current Supplemental Aid appropriation, estimated to be \$25,000 in 2003-04 and each year thereafter.

Long-Range Fiscal Implications