

Fiscal Estimate Narratives

DPI 3/9/2010

LRB Number	09-4283/2	Introduction Number	AB-0805	Estimate Type	Original
Description Grants to school districts for efficiency and consolidation feasibility studies, granting rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill takes language from the non-statutory provisions in the 2007-09 budget bill (2007 Wisconsin Act 20) and makes it statute. The bill provides that a consortium of 2 or more school districts may apply to DPI for a grant to conduct a school district efficiency and consolidation feasibility study (efficiency studies were not part of the 2007 Act 20 language). The department may not award more than \$10,000 to any consortium in the same school year or award more than one grant to that consortium in the school year.

The bill provides for an appropriation of \$150,000 in FY11 for the department to award grants to consortia of school districts.

State fiscal effect:

AB 805 will have a fiscal effect for DPI. The pupil transportation aid appropriation in 20.255(2)(cr) is reduced by \$150,000 GPR in FY10 and the consolidation and efficiencies studies appropriation in 20.255(2)(bs) is increased by \$150,000 GPR beginning in FY11. It is presumed that \$150,000 GPR becomes the base budget for the consolidation and efficiencies studies appropriation (the FY11 allocation) for the 2011-13 biennium while the base budget in the pupil transportation aid appropriation returns to \$26,337,300 (the FY11 appropriation). The transfer from the transportation aid appropriation occurs one-time for FY10. The pupil transportation aid appropriation is projected to lapse funds to the general fund in FY10 sufficient to cover the \$150,000 transfer in AB 805.

The language in 2007 WI Act 20 had identified consolidation studies as a one-time program with one-time money (new GPR was allocated). AB 805 would put language in statute, thus making the appropriation permanent (or until action is taken to remove it from statute).

The bill would require the department to verify that each consortium has met the requirements for grant application, determine if each consortium should be given priority under the provisions of the bill, process grant awards, ensure the consortium is allocating an amount equal to 20 percent of their grant to the study, and receive study results from each consortium. These responsibilities would increase operating costs to the department. It is assumed that these costs would be absorbed within the agency's current budget.

Local Fiscal Effect:

It is assumed that, without the benefit of grants as provided in the bill, some districts considering efficiency or consolidation measures will conduct feasibility studies and incur costs for those studies. It is further assumed that other school districts may apply as a result of the availability of the grants. Therefore, individual school districts participating in a consortium and receiving a grant could see an increase in revenue and/or a decrease in costs. It is unknown how many consortia of school districts would apply for and receive grants. It is possible that districts could incur additional costs as a result of the 20 percent local matching requirement. The local fiscal effect is indeterminate.

Long-Range Fiscal Implications