

Fiscal Estimate Narratives

DPI 10/5/2009

LRB Number	09-3457/2	Introduction Number	SB-328	Estimate Type	Original
Description Allowing a school district to carry over unused revenue limit authority to the following school year					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, if a school district's revenue in the previous school year was less than the school district's revenue limit in that school year, the school district's revenue limit in the current school year is increased by the difference between its revenue in the previous school year and its revenue limit in the previous school year. This revenue limit adjustment is only available to a school district for one year; the district cannot use it in consecutive school years.

This bill provides that if a school district qualified for this adjustment in the 2009–10 school year, but did not fully utilize the revenue limit increase in that school year, the school district's revenue limit for the 2010–11 school year is increased by the unused portion of the increase. Similarly, the bill provides that if a school district is eligible for but does not fully utilize the revenue authority carryover provided for under current law in the succeeding school year (2010–11), or if a school district does not fully utilize the revenue authority carryover provided in this bill for the 2010–11 school year, its revenue limit for the 2011–12 school year is increased by the sum of the unused portions of the increases.

State Fiscal Effect: This bill does not affect state general school aid appropriations. There will be some additional costs to the department in tracking the additional revenue limit carryover authorized in the bill; it is assumed these costs will be absorbed.

Local Fiscal Effect: In 2008-09, 87 school districts under-levied by a total of \$21,767,700. It is not known how much of this carry-over authority will be levied in 2009-10 by districts, so the effect of this bill on 2010-11 district revenue limits is indeterminate. Similarly, the department cannot predict the effect of this bill on revenue limit carryover for the 2011-12 school year.

There may be a redistribution of general school aid payments, as compared to current law, in 2010-11 and 2011-12 dependent on which districts choose to take advantage of the revenue limit flexibility provided in the bill. This impact is indeterminate.

Any additional revenue limit authority carried over to either 2010-11 and/or 2011-12 under this bill, as compared to current law, could result in additional local school property tax levies. School levy decisions are made by local school boards, so the possible additional property tax levies, if any, are indeterminate.

Long-Range Fiscal Implications