

### Fiscal Estimate - 2013 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>13-3801/1</b>		<b>Introduction Number</b> <b>AB-0662</b>	
<b>Description</b> School district expenditures for community programs and services and requiring the exercise of rule-making authority			
<b>Fiscal Effect</b>			
<b>State:</b>			
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs			
<b>Local:</b>			
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input 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 <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory			
<b>Fund Sources Affected</b>		<b>Affected Ch. 20 Appropriations</b>	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		5. Types of Local Government Units Affected <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	
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
DOR/ Daniel Huegel (608) 266-5705		Robert Schmidt (608) 267-9892	
		<b>Date</b>	
		1/30/2014	

## Fiscal Estimate Narratives

DOR 1/30/2014

LRB Number	<b>13-3801/1</b>	Introduction Number	<b>AB-0662</b>	Estimate Type	<b>Original</b>
<b>Description</b> School district expenditures for community programs and services and requiring the exercise of rule-making authority					

### Assumptions Used in Arriving at Fiscal Estimate

#### CURRENT LAW

School districts may provide community services such as adult education, cultural programs, recreation programs, and similar activities open to the general public. These services may be financed from user fees, property taxes, or other revenues, operated through a separate fund referred to as "Fund 80" for school accounting purposes. Costs for Fund 80 programs are excluded for purposes of calculating shared costs eligible for state school equalization aid. The Department of Public Instruction (DPI) publishes guidelines on which activities may be included under Fund 80.

Based on data from the revenue limit file for the 2013-14 school year from the DPI web site, 279 of the state's 424 school districts had a Fund 80 levy for 2013-14. The total Fund 80 levy was \$79,560,000. Since non-tax revenue can be used to finance Fund 80 activities, total spending on Fund 80 activities is expected to be higher than the amount levied.

#### PROPOSED LAW

The DPI would be required to promulgate rules defining which costs would be deemed "eligible costs" under Fund 80. The revenue limit for a school district would be decreased by the amount of Fund 80 expenditures that are not "eligible costs" (in effect, "ineligible costs").

The bill assigns the Department of Revenue (DOR) with the task of determining which Fund 80 costs are "eligible" and which are "ineligible" based on an annual report which every school district would be required to file with the DOR. After reviewing the reports, the DOR would be required to report to the DPI the amount of each school district's Fund 80 expenditures that are not eligible costs.

#### ADMINISTRATIVE COST

For purposes of this fiscal note, it is assumed that the DOR would be required to create the annual report form for school districts to report their Fund 80 expenditures to the department. It is also assumed that DOR would be required to develop a computer program to assist in reviewing the data to distinguish "eligible" from "ineligible" expenditures. The DOR would incur one-time costs of \$708,900 to accomplish these tasks. The DOR would incur annual costs of \$56,900 for a full time auditor to review the annual reports filed by school districts with the department.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

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<b>Description</b> School district expenditures for community programs and services and requiring the exercise of rule-making authority			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  \$708,900 in one-time costs to develop a form for the school district annual report on Fund 80 expenditures and to create a computer program to assist DOR staff in their analysis of the report data			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$56,900		\$
(FTE Position Changes)	(1.0 FTE)		
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$56,900</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR	56,900		
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$56,900		\$
NET CHANGE IN REVENUE	\$		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DOR/ Daniel Huegel (608) 266-5705		Robert Schmidt (608) 267-9892	1/30/2014