

Fiscal Estimate - 2013 Session

Original Updated Corrected Supplemental

LRB Number 13-4127/1		Introduction Number AB-0772	
Description Categorical aids for special education and making an appropriation			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input 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 type="checkbox"/> No			
<input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs			
Local:			
<input type="checkbox"/> No Local Government Costs			
<input checked="" type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		3. <input checked="" type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
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			
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) (b) and 20.255 (2) (bd)			
Agency/Prepared By		Authorized Signature	Date
DPI/ Sheryl Cordell (608) 266-1344		Michael Bormett (608) 266-2804	3/18/2014

Fiscal Estimate Narratives

DPI 3/18/2014

LRB Number	13-4127/1	Introduction Number	AB-0772	Estimate Type	Original
Description Categorical aids for special education and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

State:

This bill would result in an \$88,000,000 GPR increase in the 2014-15 school year for two state special education categorical aids. There would be an \$86,500,000 increase in s. 20.255 (2) (b) Stats., Aids for special education and school age parents and an \$1,500,000 increase in s. 20.255 (2) (bd) Stats., Additional special education aid (high cost aid).

State special education aid and high cost special education aid have historically been underfunded and paid on a prorated basis as total eligible costs exceed the appropriation. In recent years the proration rate has been in the range of 26-28% for special education categorical aid and 49-55% for special education high cost categorical aid.

Aids for special education and school age parents: DPI estimates there will be \$1.37 billion in eligible costs in the 2013-14 school year for aids for special education and school age parents categorical aid paid in 2014-15. Based on that estimate, an additional \$86,500,000 in 2014-15 would increase the proration rate by 6.3%, from 27.0% to 33.3%.

Additional special education aid: DPI estimates there will be \$11,400,000 in eligible costs in the 2013-14 school year for additional special education categorical aid paid in 2014-15. Based on that estimate, an additional \$1,500,000 of high cost aid in 2014-15 would increase the proration rate by 13.1%, from 49.7% to 62.8%.

Local: Indeterminate.

Overall categorical aids paid to school districts, CESAs, CCDEBs, and independent (2r) charter schools would increase by \$88,000,000 GPR in the 2014-15 school year, and the reimbursement rate of special education eligible costs would increase.

The specific impact on an individual school district depends upon two factors. First, the amount of categorical aid received depends upon eligible special education expenses. In per-pupil terms, a district with a proportionally more costly program would receive a proportionally greater increase in total dollars received. Second, increasing a district's special education categorical aid would reduce its local 'shared' cost factored into the general school aid formula. Depending on where a district is in the formula, this bill could increase or decrease the amount of general aid a district receives. The overall impact is an \$88,000,000 GPR increase in categorical aids in the 2014-15 school year and a redistribution of general aid among school districts. Therefore, the net effect on individual school districts is indeterminate.

Long-Range Fiscal Implications