

Fiscal Estimate Narratives

DOR 10/15/2013

LRB Number	13-3404/1	Introduction Number	SB-001	Estimate Type	Original
		(OC3)			
Description School district budgets and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

The bill increases the amount appropriated as general school aid. For the 2013-14 school year, general aid is increased by \$40,000,000 (from \$4,341,594,600 to \$ 4,381,594,600), which represents an increase of about 0.92%. For the 2014-15 school year, general aid is increased by \$60,000,000 (from \$4,415,960,500 to \$4,475,960,500), which represents an increase of about 1.36%.

Under current law, school districts operate under a revenue limit that caps the amount they can raise from property taxes and general school aids. Based on data from the revenue limit worksheets for the 2012-13 school year filed with the Department of Public Instruction in the autumn of 2012, there were 76 school districts that operated at less than their full revenue capacity. The total unused revenue capacity for these 76 districts was about \$44.5 million. It is therefore possible that a portion of the additional general school aid allocated under the bill may be used by school districts to increase spending. The Department of Revenue (DOR) is unable to reasonably estimate the extent to which the additional aid would be used to increase school spending as opposed to reducing the school property tax levy.

This bill also delays the date by which school boards must determine their property tax levy for the 2013-14 school year from November 1 to November 6.

The bill has no effect on administrative costs for the DOR.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description School district budgets and making an appropriation	
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):	
II. Annualized Costs:	
	Annualized Fiscal Impact on funds from:
	Increased Costs Decreased Costs
A. State Costs by Category	
State Operations - Salaries and Fringes	\$
(FTE Position Changes)	
State Operations - Other Costs	
Local Assistance	100,000,000
Aids to Individuals or Organizations	
TOTAL State Costs by Category	\$100,000,000
B. State Costs by Source of Funds	
GPR	100,000,000
FED	
PRO/PRS	
SEG/SEG-S	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	
	Increased Rev
	Decreased Rev
GPR Taxes	\$
GPR Earned	
FED	
PRO/PRS	
SEG/SEG-S	
TOTAL State Revenues	\$
NET ANNUALIZED FISCAL IMPACT	
	<u>State</u>
	<u>Local</u>
NET CHANGE IN COSTS	\$100,000,000
NET CHANGE IN REVENUE	\$
Agency/Prepared By	
Authorized Signature	
Date	
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	10/15/2013