

### Fiscal Estimate - 2017 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>17-4967/1</b>	<b>Introduction Number</b> <b>AB-0797</b>				
<b>Description</b> a Department of Children and Families pilot project to expand four-year-old kindergarten programs and making an appropriation					
<b>Fiscal Effect</b>  <b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Appropriations  <input type="checkbox"/> Decrease Existing Appropriations  <input type="checkbox"/> Create New Appropriations                 </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Revenues  <input type="checkbox"/> Decrease Existing Revenues                 </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget  <div style="display: flex; justify-content: space-around; font-size: small;"> <input type="checkbox"/> Yes      <input type="checkbox"/> No                 </div> <input type="checkbox"/> Decrease Costs                 </div> </div> <b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;">                     1. <input type="checkbox"/> Increase Costs  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                      2. <input type="checkbox"/> Decrease Costs  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                 </div> <div style="width: 30%;">                     3. <input type="checkbox"/> Increase Revenue  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                      4. <input type="checkbox"/> Decrease Revenue  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                 </div> <div style="width: 30%;">                     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 type="checkbox"/> School Districts      <input type="checkbox"/> WTCS Districts                 </div> </div>					
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"><b>Fund Sources Affected</b></td> <td style="width: 50%;"><b>Affected Ch. 20 Appropriations</b></td> </tr> <tr> <td> <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 20.437 (1) (ad)                         </td> <td></td> </tr> </table>		<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>	<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 20.437 (1) (ad)	
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<b>Agency/Prepared By</b> DPI/ Benjamin Kopitzke (608) 266-1344	<b>Authorized Signature</b> Erin Fath (608) 266-2804				
<b>Date</b> 1/9/2018					

## Fiscal Estimate Narratives

DPI 1/9/2018

LRB Number	17-4967/1	Introduction Number	AB-0797	Estimate Type	Original
<b>Description</b> a Department of Children and Families pilot project to expand four-year-old kindergarten programs and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

This bill allows the Department of Children and Families, as a pilot project, to award grants to organizations, including school boards, with existing four-year-old kindergarten (4K) programs for the purpose of expanding those programs. The bill requires DCF to consider grant proposals from organizations in no more than three counties and to give a preference to organizations operating programs in economically disadvantaged school districts. The bill also limits the grants to those programs in which each instructor holds a license from the Department of Public Instruction.

Under the bill, DCF may pay for the 4K grants by using either federal moneys received under the Temporary Assistance for Needy Families block grant program or from general purpose revenue appropriated for the purpose of the grant program. The bill requires DCF to submit each proposed grant to the Joint Committee on Finance for a 14-day passive review. In addition, if the amount DCF seeks to issue in grants exceeds the moneys available in the GPR appropriation account, the bill allows DCF to request that JCF transfer money to that appropriation account from another DCF appropriation account.

#### State

The bill is projected to have no immediate fiscal impact on the Department of Public Instruction. DCF is responsible for awarding the grants, and funding for the grants comes from either federal TANF moneys or from the GPR appropriation created in the bill for the grants. If grant awards come from the state's GPR appropriation, the increased expenditures would have a negative impact on the state's general fund. There is no language in the bill that speaks to specific parameters of the grants, or a limit on total amount that could be awarded under the new grant program; thus, there is no way to estimate the potential fiscal impact on the state. DPI would be required to grant the licenses required by educators in participating programs, i.e. normal agency operations.

#### Local

A limited number of school districts may stand to receive additional revenue under the bill, though neither a per-district nor a total grant award amount can be projected, as the bill contains no language on the specific parameters of the grant program. The revenue received by a school district under the proposed grant would be received by a school district outside of the district's revenue limit (i.e., it would not reduce local property taxes).

To the extent that a school district were to receive additional revenue as a result of this grant, those revenues would be excluded from the calculation of shared (aidable) costs, which is one of the main factors in the calculation of state general/equalization aid to school districts. The additional costs of expanding a 4K program would presumably be at least partially (possibly completely) offset by the grant; but that information is not available, so the net impact on a school district's shared costs is indeterminate. To the extent that a school district that receives a grant increases 4K enrollments (compared to without the grant), that district's shared costs per member would be impacted. The effect of changes in shared costs per member could very well impact the amount of general/equalization aid received by the school district; however, those impacts cannot be projected by DPI. Because general/equalization aid is received under revenue limits, an increase or decrease in general/equalization aid would result in a decrease or increase (respectively) in allowable property tax revenue under the revenue limit.

### Long-Range Fiscal Implications