

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-5973/1	Introduction Number AB-1013
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Description
 the additional child and dependent care tax credit, a rebate for individual residents, and a family caregiver tax credit; various changes to statutes related to elementary and secondary education in this state; increasing funding for the University of Wisconsin System, technical college system, special education, general equalization aids, and per pupil aid; granting rule-making authority; 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"/> Decrease Existing Appropriations
<input type="checkbox"/> Create New Appropriations | <input type="checkbox"/> Increase Existing Revenues
<input type="checkbox"/> Decrease Existing Revenues | <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Decrease Costs |
|--|--|---|

Local:

- | | | |
|--|--|--|
| <input type="checkbox"/> No Local Government Costs
<input type="checkbox"/> Indeterminate
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 | 3. <input checked="" type="checkbox"/> Increase Revenue
<input type="checkbox"/> Permissive <input checked="" 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 Multiple	

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DPI 2/25/2022

LRB Number	21-5973/1	Introduction Number	AB-1013	Estimate Type	Original
Description the additional child and dependent care tax credit, a rebate for individual residents, and a family caregiver tax credit; various changes to statutes related to elementary and secondary education in this state; increasing funding for the University of Wisconsin System, technical college system, special education, general equalization aids, and per pupil aid; granting rule-making authority; and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

The bill modifies current law related to certain categorical aid programs for K-12 schools; provides additional funding for K-12 school aids and for higher education; and makes changes to, and creates additional, programs administered by the Department of Public Instruction (DPI). This fiscal estimate focuses on just the changes in the bill that impact funding for K-12 schools.

The bill would create GPR appropriations for several proposed new state aids for local educational programming, including: water filtration grants, capacity-building grants for licensed educators, diver education aid, aid for reading services professionals, community engagements grants (urban school districts), principal training and support (urban school districts), out-of-school time program grants, early childhood education grants (urban school districts), computer science licensure grants, lead testing remediation, and supplemental nutrition aid.

The bill provides a total of \$71,000,000 GPR in 2022-23 (FY23) for 10 of the 11 proposed new aid programs. This figure excludes funding for the proposed supplemental nutrition aid program because the bill does not specify an amount in the appropriation; rather, it creates a sum-sufficient appropriation for the supplemental nutrition aid program, ensuring that all eligible claims would be paid in full. At this time, DPI does not have data available to provide a reasonable estimate for the supplemental nutrition aid program as proposed in the bill; however, a similar proposal was included in DPI's 2021-23 biennial budget request, and was estimated to cost \$2,432,000 GPR annually.

The bill increases funding for general equalization aid for school districts by \$188,000,000 GPR in FY23, and also increases appropriations for several existing categorical aid programs, including: special education aid, school breakfast, limited-English proficient pupils, school mental health and pupil wellness, special education transition readiness grants, additional (high-cost) special education aid, and summer school grants. The bill increases appropriations for these existing categorical aid programs by a total of \$222,309,200 GPR in FY23.

The bill also increases the per-pupil payment to school districts under the existing Per Pupil Aid program, from \$742 (current law) to \$870, in FY23. Under 2021 Act 58 (2021-23 biennial budget), a total of \$607,527,300 in the sum-sufficient appropriation for Per Pupil Aid, based on a projected revenue limit membership of 818,770 for the 2022-23 school year. Because this is a sum-sufficient appropriation, DPI would pay the full amount of aid to which school districts are eligible, regardless of the appropriation level. Thus, if the bill becomes law, school districts would be paid \$870 per pupil under this aid program, an estimated increase of \$104,802,600 GPR, compared to current law (\$742 per pupil in FY23).

Finally, the bill would provide a per pupil revenue limit adjustment of \$200 for the 2022-23 school year (but not thereafter). Under current law, districts receive no per pupil revenue limit adjustment in 2022-23. This will have the effect of providing more revenue raising authority by school districts, compared to current law, which would be partially offset by the proposed \$188,000,000 increase in general equalization aid.

State

The total increase in state appropriations for K-12 school aids in FY23 under the bill thus includes \$71,000,000 GPR for new programs, \$188,000,000 GPR for general equalization aid, \$222,309,200 GPR for existing programs, and would result in an estimated increase in Per Pupil Aid payments of \$104,802,600, for a total state impact of \$586,111,800 GPR in FY23.

Local

Increase to appropriations for categorical aids and for general equalization aid will increase the amount of aid received by local education agencies based on formulas specified in state law.

Because the bill provides an increase to the per pupil revenue limit adjustment, it would increase revenue raising authority for each school districts and thus, property taxes levied by schools, for the 2022-23 school year (total amount depending on the district's revenue limit membership and the interaction with other revenue limit adjustments). The statewide revenue limit membership for the 2021-22 school year (as of November 2021) was nearly 812,300 members. If membership were at that level for the 2022-23 school year, the per pupil adjustment would translate into a statewide increase of approximately \$162,500,000, though the actual figure would be moderated as other adjustments in the revenue limit formula interact with the per pupil adjustment. However, the bill provides \$188,000,000 in general equalization aid, which would offset property tax increases on a statewide basis. The net impact to individual districts is indeterminate, as general equalization aid cannot be accurately simulated for a future year.

Long-Range Fiscal Implications

The bill does not indicate that funding for the proposed new aid programs or funding increases for existing aid programs would be restricted to just FY23 (i.e., no sunset language), thus it is assumed that if the bill becomes law, the appropriations will continue at the level indicated in the bill in subsequent years, until such time as the state legislature modifies funding levels.