

Fiscal Estimate - 2021 Session

Original Updated Corrected Supplemental

LRB Number 21-5162/2 **Introduction Number** **AB-1079**

Description
various changes to statutes related to elementary and secondary education in this state, funding for the University of Wisconsin System, and making an appropriation

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations Increase Existing Revenues Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations Decrease Existing Revenues Yes No
 Create New Appropriations Decrease Costs

Local:

No Local Government Costs
 Indeterminate
1. Increase Costs 3. Increase Revenue
 Permissive Mandatory Permissive Mandatory
2. Decrease Costs 4. Decrease Revenue
 Permissive Mandatory Permissive Mandatory

5. Types of Local Government Units Affected

Towns Village Cities
 Counties Others Non-school organizations
 School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR FED PRO PRS SEG SEGS Multiple

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DPI 3/23/2022

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Assumptions Used in Arriving at Fiscal Estimate

This bill makes several changes to funding for k-12 public schools and grant programs for other non-school organizations.

The bill creates eight new programs: 1. grants to increase licensure of bilingual teachers and teachers of English as a 2nd language; 2. aid for transportation costs for pupils participating in the Early College Credit Program; 3. grants to expand out-of-school time programming; 4. grants to assist school district employees in obtaining licenses or permits to teach computer science; 5. grants for energy efficiency projects; 6. grants to replace race-based nicknames, logos, mascots, and team names; 7. grant to Recollection Wisconsin; and 8. grant to City Year Milwaukee.

The bill creates two new sum sufficient appropriations: 1. to subsidize the cost of the General Education Development (GED) fees for individual taking the GED tests; and 2. to provide supplemental aid to local educational agencies (LEAs) so that pupils who are eligible for a reduced-price meal are not charged for a meal at school. The bill does not appropriate amounts for these two new programs. However, based on DPI's 2021-23 biennial budget request, the GED test fee subsidy is estimated to cost \$400,000 GPR in FY22 and \$900,000 GPR in FY23. DPI also included a request for supplemental nutrition aid similar to this bill's provisions, at an estimated cost of \$2,432,000 GPR in FY22 and FY23.

The bill increases the payment under the existing Per Pupil Aid program (a sum sufficient appropriation), from \$742 to \$750 per pupil, for both FY22 and FY23. This increase in the per pupil payment is estimated to cost \$6,563,416 GPR in FY22 and \$6,550,160 GPR in FY23. The bill also creates a provision under which school districts would receive an extra \$75 in Per Pupil Aid for each pupil that is economically disadvantaged. With a statewide economically disadvantaged rate of 40.1% (based on 3rd Friday in September 2021 pupil count data), the number of economically disadvantaged students is estimated at 328,991 in FY22 and 328,327 in FY23; this is estimated to cost \$24,674,325 GPR in FY22 and \$24,624,525 GPR in FY23.

The bill increases the amounts appropriated for general equalization aid and for nine categorical aid programs: 1. bilingual-bicultural aid; 2. high cost transportation aid; 3. mental health programs and pupil wellness aid; 4. aid for transportation costs for pupils attending a public school under open enrollment; 5. school breakfast aid; 6. sparsity aid; 7. special education categorical aid; 8. additional (high cost) special education aid; and 9. special education transition readiness grants. The total increases to these appropriations under the bill is \$931,559,100 GPR in FY22 and \$902,598,700 in FY23.

The bill increases two of DPI's operational appropriations, for Academic & Career Planning and for Mental Health training, and creates a new appropriation to support the digitization of paper FED credentials. The bill appropriates a total of \$564,000 GPR in FY22 and \$796,000 GPR in FY23 for these appropriations.

The bill reinstitutes two-thirds funding for public schools. It also changes the appropriations for general equalization aid and for special education categorical aid from annual sum-certain appropriations to sum-sufficient appropriations (if aid eligibility exceeds the appropriation amounts, DPI would still pay full aid eligibility, thus, state outlays would be higher). The actual expenditures for both aid programs could be higher or lower than the amounts appropriated in the bill.

The bill also eliminates the lapse of 10% of revenues received by DPI for license application fees. This would decrease revenues to the state's general fund by approximately \$400,000 (PR) annually.

Finally, the bill provides increases to school district revenue limits, providing a revenue limit per pupil adjustment of +\$200 for FY22 and +\$204 for FY23; and increases the low revenue ceiling in both years. There would be no impact for FY22, as levies have already been set for the 2021-22 school year. For FY23, the revenue limit adjustments would increase school district revenue authority by \$204 multiplied by the districts'

FY23 revenue limit membership (and raise revenue authority for districts eligible for the low revenue adjustment).

The net impact of the bill on the state's general fund is estimated at \$977,332,841 in FY22 and \$970,691,385 in FY23.

Long-Range Fiscal Implications

None of the new appropriations or appropriation increases are sunset; thus, the FY23 amounts would become the base for the 2023-25 biennium (i.e., assumed to be ongoing, unless eliminated or reduced by a future Legislature). The two-thirds funding commitment for schools could result in higher GPR outlays than under current law.