

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-6188/1	Introduction Number SB-1104	
Description broadband expansion grants; assistance for paying for Internet service; regulations of broadband service; electric providers using easements to provide broadband; municipal broadband service; counting pupils for state school aid purposes; calculating the amount to be appropriated for state general school aid; school aid factors; special adjustment aids; hold harmless aid; per pupil aid; school district revenue limits; the first dollar and school levy property tax credits; creating a one-year fee remission program to cover tuition and fees for resident students enrolled in technical colleges and University of Wisconsin System two-year campuses; granting rule-making authority; making an appropriation; and providing a penalty		
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 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <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)(ac); 20.255 (2)(bb)		
Agency/Prepared By DPI/ Erin Fath (608) 266-2804	Authorized Signature Erin Fath (608) 266-2804	Date 3/24/2022

Fiscal Estimate Narratives

DPI 3/24/2022

LRB Number	21-6188/1	Introduction Number	SB-1104	Estimate Type	Original
Description broadband expansion grants; assistance for paying for Internet service; regulations of broadband service; electric providers using easements to provide broadband; municipal broadband service; counting pupils for state school aid purposes; calculating the amount to be appropriated for state general school aid; school aid factors; special adjustment aids; hold harmless aid; per pupil aid; school district revenue limits; the first dollar and school levy property tax credits; creating a one-year fee remission program to cover tuition and fees for resident students enrolled in technical colleges and University of Wisconsin System two-year campuses; granting rule-making authority; making an appropriation; and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

This bill makes several changes in the laws relating to public school financing:

1. Restores the state's commitment to two-thirds funding for public schools (as under prior law).

2. Changes to the general equalization aid formula:

Counts pupils who attend a full-day/full-week 4 year old kindergarten (4K) program as 1.0 full time equivalent (FTE) pupil, rather than just 0.5 or 0.6 FTE as under current law.

Raises the secondary cost ceiling from 90 to 100 percent of the state average shared cost per member.

Increases the threshold for eligibility for special adjustment aid from 85 to 90 percent of the general equalization aid received by the district in the prior year.

Establishes a minimum general aid payment of \$3,000 per member within the general equalization aid formula.

Provides additional funding of \$1,090,000,000 in the 2022-23 school year for general school aid for purposes of maintaining compliance with maintenance of effort requirements of the federal Consolidated Appropriations Act and the federal American Rescue Plan Act.

Establishes a sum sufficient appropriation to provide additional state aid for the 2022-23 school year to hold school districts harmless from change in net state aid resulting from the bill.

3. Changes related to school district revenue limits:

Provides revenue limit per pupil adjustment of \$204 for the 2022-23 school year.

Provides for annual adjustment to the revenue limit per pupil adjustment in the 2023-24 school year and each year thereafter linked to the increase in the consumer price index.

Eliminates the provision in state law that a failed operating referenda results in a forfeiting of the low revenue ceiling adjustment that would otherwise be applicable to the district's revenue limit for three years after the failed referenda.

Creates a revenue limit adjustment for costs to remediate lead contamination in drinking water in the school district.

4. Other:

Eliminates current law high-poverty Aid beginning in the 2022-23 school year (\$16,830,000).

Eliminates the school levy property tax credit and the first dollar property tax credit in 2022-23 (total appropriation is \$1,088,500,000 in 2022-23).

The changes to the bill to the state general equalization aid formula would redistribute aid among school districts (indeterminate).

The bill increases DPI's appropriation for general equalization aid by \$1,090,000,000 in 2022-23. This increase would be offset by the elimination of the school levy tax credit and first dollar tax credit (\$1,088,500,000), for a net increase to the state's general fund of \$1,500,000 in 2022-23. The bill also eliminates payments under the current law high-poverty aid, reducing state outlays by \$16,830,000; however, this reduction would be at least partially (if not in total) offset by the creation of the sum-sufficient appropriation for hold-harmless aid.

The changes to the revenue limit would result in additional revenue raising authority for school districts, but the additional revenue authority would depend on each districts' revenue limit membership and other revenue limit adjustments (indeterminate). However, the increase in funding for general equalization aid would reduce the

net impact on the statewide school tax levy (vary by district).

Long-Range Fiscal Implications

Potential for additional state outlays resulting from the commitment to two-thirds state support for K-12 schools.