

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-5721/1	Introduction Number AB-1144
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Description
 grants for students enrolled in teacher education programs, school district revenue limits, the reimbursement rate for special education costs, and making an appropriation

Fiscal Effect

State:

- | | | |
|--|---|--|
| <input type="checkbox"/> No State Fiscal Effect | <input type="checkbox"/> Increase Existing Revenues | <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget |
| <input type="checkbox"/> Indeterminate | <input type="checkbox"/> Decrease Existing Revenues | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input checked="" type="checkbox"/> Increase Existing Appropriations | | <input type="checkbox"/> Decrease Costs |
| <input type="checkbox"/> Decrease Existing Appropriations | | |
| <input checked="" type="checkbox"/> Create New Appropriations | | |

Local:

- | | | | |
|--|---|--|--|
| <input type="checkbox"/> No Local Government Costs | | | |
| <input type="checkbox"/> Indeterminate | | | |
| 1. <input type="checkbox"/> Increase Costs | 3. <input checked="" type="checkbox"/> Increase Revenue | 5. Types of Local Government Units Affected | |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input checked="" 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"/> Counties | <input type="checkbox"/> Others |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <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) (b); 20.235 (1)(cd) [NEW]

Agency/Prepared By	Authorized Signature	Date
DPI/ Erin Fath (608) 266-2804	Erin Fath (608) 266-2804	3/11/2024

Fiscal Estimate Narratives

DPI 3/11/2024

LRB Number	23-5721/1	Introduction Number	AB-1144	Estimate Type	Original
Description grants for students enrolled in teacher education programs, school district revenue limits, the reimbursement rate for special education costs, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

Under the bill, beginning in the 2024-25 school year, the per pupil adjustment is the per pupil increase for the previous school year as adjusted for any increase in the consumer price index (CPI), as compared to \$325 per year through 2425, under current law. The change in the CPI in future years is unknown. Regardless, the increase in the allowable per pupil revenue limit adjustment would initially impact school districts' revenue raised via the property tax levy for public schools. The amount of the increase depends on: the actual per pupil adjustment, changes in school district membership, interactions with other adjustments to a school districts revenue limit (e.g., base hold harmless), and how the change in the per pupil adjustment amount might affect school board decisions about seeking additional revenue authority via referendum. The local impact of this provision in the bill is indeterminate.

The bill also changes how the state reimburses local education agencies (LEAs) for costs related to providing special education services to students with disabilities. Under current law, the appropriation under s. 20.255(2) (b) [Aids for special education and school age parents programs] provides \$558,036,700 GPR in 2023-24 (FY24) for reimbursements to LEAs for eligible special education costs incurred in the prior school year (FY23).

Special education aid is provided in a sum-certain appropriation; thus, if eligible costs exceed the appropriated amount, aid to LEAs is prorated. Current law requires that the full amount of eligible districts' special education costs for pupils in hospital is paid; beyond that, eligible costs are reimbursed at the rate allowed by the appropriation amount. The bill changes the appropriation to be sum-sufficient and to requires DPI to reimburse LEAs for 90% of eligible costs (after the costs for pupils in hospitals is fully reimbursed).

For FY24, the \$558 million appropriation is estimated to reimburse eligible costs at 33.3%, suggesting total eligible costs of \$1.691 billion (incurred in FY23). If that level of eligible costs were aided at 90%, the state would make aid payments to LEAs of \$1,521,918,273, which would be an increase of \$963,881,573 compared to the current law appropriation for FY24.

For FY25, the appropriation for special education aid is \$574,777,700, and is similarly estimated to reimburse eligible costs at 33.3%, suggesting total eligible costs of \$1.742 billion (incurred in FY24). If that level of eligible costs were aided at 90%, the state would make aid payments to LEAs of \$1,567,575,545, which would be an increase of \$992,797,845 compared to the current law appropriation for FY25.

Finally, the bill appropriates \$10,000,000 GPR annually, beginning in FY24, and creates a grant program administered by the Higher Educational Aids Board under which HEAB awards grants to students enrolled in the teacher preparatory program of an institution of higher education. To the extent that the program is utilized by students pursuing a degree in Education, the state expenditures could increase up to \$10,000,000 annually.

Long-Range Fiscal Implications