



## Fiscal Estimate Narratives

DPI 4/22/2024

LRB Number	23-5709/1	Introduction Number	AB-1184	Estimate Type	Original
<b>Description</b> payment for school medical services					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, local education agencies (LEAs)\* that provide school medical services and meet certain requirements receive a reimbursement for those expenditures from the Department of Health Services (DHS). DHS is required to reimburse LEAs at a rate of 60 percent of the federal share of allowable charges for the school medical services provided by LEAs. Additionally, DHS is required to reimburse LEAs for 90 percent of the federal share of allowable school medical services administrative costs. Under current law, the remaining 40 and 10 percent, respectively, of the federal share for allowable costs is deposited in the state's general fund.

This bill would increase the amount LEAs retain to 100 percent of the federal share for allowable costs for direct services and for administrative costs. As a result, there would be no deposits into the state's general fund associate with the federal share of allowable charges for school medical services or administrative costs.

The provisions of this bill were included in the Governor's 2023-25 biennial budget proposal (as part of the budget proposal for DHS). At that time, the estimate impact of the proposal was to increase federal revenues received by LEAs by \$112 million over the biennium (roughly \$56 million annually). Conversely, the proposed change would result in a decrease in monies deposited into the state's general fund by the same amount.

\*For purposes of this fiscal estimate, the term "LEAs" includes school districts, cooperative educational service agencies, the WI Center for the Blind and Visually Impaired, and the WI Educational Services Program for the Deaf and Hard of Hearing.

### Long-Range Fiscal Implications