

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-4380/1	Introduction Number AB-0531
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Description
 a school district revenue limit adjustment for the cost of employing school nurses

Fiscal Effect

State:

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

Local:

- No Local Government Costs
- Indeterminate
 - 1. Increase Costs
 - 2. Decrease Costs
 - 3. Increase Revenue
 - 4. Decrease Revenue
- Permissive Mandatory
 - Permissive Mandatory
 - Permissive Mandatory
 - Permissive Mandatory
- 5. Types of Local Government Units Affected
 - Towns Village Cities
 - Counties Others
 - School Districts WTCS Districts

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

GPR FED PRO PRS SEG SEGS

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DPI 11/7/2023

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Assumptions Used in Arriving at Fiscal Estimate

Under current law, school districts are limited to raising property taxes according to the formula set in state law, known as the revenue limit. A school board can levy property taxes for general school operations equal to the district's total allowable revenue authority less state general aid. A school district's revenue authority is driven largely by its base revenues (state general aid plus property taxes levied from the prior year) and its revenue limit membership (full time equivalent, resident pupils).

School districts can raise their revenue limit by the allowable per pupil adjustment prescribed in state law, plus "exemptions" that are also specified in statute. Current law allows for several different exemptions to a district's revenue limit, some of which are recurring (built into the base permanently) and nonrecurring (one time, does not permanently increase the district's revenue authority).

This bill creates a new, nonrecurring revenue limit exemption that would allow a school district to raise its allowable revenue authority by the amount the district expended, two years prior, to pay the salary and fringe benefit costs of school nurses employed by the school board and school nurses providing nursing services in the school district under a contract with the school board. The school district would be allowed to utilize this revenue limit exemption only if a resolution is passed by the school board.

The fiscal impact of the bill will depend on the number of districts that utilize the exemption and expenditures for school nurses and nursing services. School staff data for 2022-23 indicate that the median salary and fringe benefit expenditures for a 1.0 full time equivalent school nurse was approximately \$88,600 (2022-23 staffing data reported by school districts). To the extent that a school district makes use of the new revenue limit exemptions, the property tax levy would increase for that year; however, because the bill specifies that the exemption would be nonrecurring, that tax property increase would be temporary (unless the school board adopts a resolution to use the exemption in subsequent years).

Local Fiscal Impact: Indeterminate. DPI cannot project how many school districts are likely to utilize the revenue limit exemption if the bill were to become law.

Long-Range Fiscal Implications