

Fiscal Estimate - 2023 Session

Original Updated Corrected Supplemental

LRB Number 23-5271/1		Introduction Number SB-0817	
Description a school district revenue limit adjustment for the cost of unfunded state mandates on school districts			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<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 checked="" type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
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	
5.Types of Local Government Units Affected			
<input type="checkbox"/> Towns		<input type="checkbox"/> Village	
<input type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input checked="" type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
<input type="checkbox"/> Cities			
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By		Authorized Signature	Date
DPI/ Erin Fath (608) 266-2804		Erin Fath (608) 266-2804	1/17/2024

Fiscal Estimate Narratives

DPI 1/17/2024

LRB Number	23-5271/1	Introduction Number	SB-0817	Estimate Type	Corrected
Description a school district revenue limit adjustment for the cost of unfunded state mandates on school districts					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a non-recurring (non-base building) revenue limit adjustment for costs incurred by school districts to comply with an unfunded mandate, as defined under the bill: a requirement for a school board to take an action or provide a service for which state funding is not provided, enacted into state law after the effective date of the bill.

A school board would be required to submit a request to DPI to identify the unfunded mandate and the costs incurred to comply with the unfunded mandate. Upon approval by DPI, the non-recurring revenue limit adjustment would be granted.

The bill specifies that if a school district receives state funding to comply with an unfunded mandate, the amount of the revenue limit adjustment would be reduced by the amount of state funding received by the district.

This revenue limit adjustment would not be available to a school district for any school year during which the school board receives state funding equal to or greater than the school district's costs incurred to comply with the unfunded mandate.

The addition of revenue limit authority in a given year would impact a school district's ability to raise revenue in that year, via the district tax levy. The actual impact on a given school district's levy would depend entirely on the amount submitted by the school district, and approved by DPI, for the proposed revenue limit adjustment.

Local Impact: indeterminate. The bill has the potential to increase revenue raising authority for a school district, based on identified and approved costs related to unfunded state mandates. It is not possible to project submissions by school districts for such an adjustment or whether a school board would choose to fully utilize the additional revenue authority derived from the proposed revenue limit adjustment.

State impact: the creation of the proposed revenue limit adjustment for unfunded mandates would translate into additional work on the part of DPI staff to establish a reporting infrastructure for districts to submit requests for the revenue limit adjustment and the parameters for determining eligible amounts for a requested adjustment, as well as to determine whether state funding was provided to comply with the mandate (the bill does not distinguish between state general aid and categorical aids), and to provide technical assistance to school districts.

Long-Range Fiscal Implications