



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #606

SAGE Debt Service Aid (DPI -- Categorical Aids)

[LFB 2005-07 Budget Summary: Page 401, #3]

CURRENT LAW

In 1999 Act 9, \$3,000,000 GPR was provided in 2000-01 to reimburse school districts, except MPS, for 20% of debt service costs associated with student achievement guarantee in education (SAGE) program building projects. School boards were required to pass a referendum and gain DPI approval prior to June 30, 2001, to be eligible for funding under the program. The referendum identified the amount of bonding attributable to increased classroom space needs resulting from participation in the SAGE program. In 2001 Act 16, the appropriation was lowered to \$300,000 GPR annually. DPI expects to disburse approximately \$133,600 to 11 school districts under this program in 2004-05.

GOVERNOR

Reduce aid for SAGE debt service by \$100,000 GPR annually from base level funding of \$300,000.

MODIFICATION

Reduce aid for SAGE debt service by \$50,000 GPR annually compared to the bill.

Explanation: Based on the most recent DPI estimates of debt service costs, the total amount of aid necessary to fully fund the program is estimated at \$136,600 in 2005-06 and \$136,000 in 2006-07. The modification would provide funding for debt service totaling \$150,000 annually. Any unexpended GPR would lapse to the general fund.

<u>Modification</u>	<u>GPR</u>
2005-07 FUNDING (Change to Bill)	- \$100,000

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