Wisconsin Department of Administration Division of Executive Budget and Finance DOA-2048 (R07/2000)

Fiscal Estimate - 2001 Session

Original Updated	Corrected Sup	plemental						
LRB Number 01-1660/1	Introduction Number SB-28	0						
Subject								
Revenue limit adjustment for special education costs								
Fiscal Effect								
Appropriations Re Decrease Existing Decrease	crease Existing evenues ecrease Existing evenues Increase Costs - May to absorb within agency's evenues Decrease Costs	pe possible to budget No						
Local: No Local Government Costs Indeterminate 1. Increase Costs Permissive Mandatory 2. Decrease Costs Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Decrease Revenue Permissive Mandatory Decrease Revenue Permissive Mandatory Decrease Revenue Districts								
Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS 20.255 (2) (ac)								
MIGHT FED PRO PRS	SEG SEGS 20.255 (2) (ac)							
Agency/Prepared By	Authorized Signature	Date						
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Fiscal Estimate Narratives DPI 10/18/01

LRB Number	01-1660/1	Introduction Number	SB-280	Estimate Type	Original	
Subject						
Revenue limit adjustment for special education costs						

Assumptions Used in Arriving at Fiscal Estimate

Current law limits the annual increase in a school district's revenue derived from general school aids and property taxes. Currently, a school district is eligible to receive categorical state aid for certain special education costs. If funding is insufficient to pay the full amount of aid, payments are prorated.

In 2002-03, this bill would provide that, if special education categorical aid payments would be prorated, a school district's revenue limit would be increased by an amount equal to the difference between the amount that the school district would be eligible to receive and the amount that the school district actually would receive.

In 2000-01, school districts reported over \$888.6 million in eligible prior year special education costs. The department estimates (assuming a 6% annual growth rate) eligible special education costs would increase from about \$888.6 million in 2000-01 to roughly \$1.1 billion dollars in 2002-03. Wisconsin Act 16, the biennial budget bill, appropriates about \$315.7 million in 2002-03. Since school districts' eligible special education costs are estimated to be significantly higher than the aid appropriated in 2002-03, it is assumed that categorical aid payment to districts would be prorated.

Under this bill, school districts' revenue limits statewide would increase by an amount equal to the difference between the amount that school districts would be eligible to receive (\$1.1 billion) and the amount that districts actually would receive (315.7 million). Under this bill, revenue limits statewide or partial school revenues would increase by a maximum of approximately \$737.9 million (\$1.1 billion less \$315.7 million).

State fiscal effect:

If all school districts increased their levies by the maximum amount provided by this bill, general school aids would be increased by roughly \$492.0 million (2/3 x about \$737.9 million) in order to maintain the state's two-thirds funding commitment.

Local fiscal effect:

School districts could increase their local school property tax levies by approximately \$246.0 million (1/3 x about \$737.9 million).

Long-Range Fiscal Implications