

Fiscal Estimate Narratives

DPI 9/15/2005

LRB Number 05-3327/1	Introduction Number SB-323	Estimate Type Original
Subject Consolidation aid		

Assumptions Used in Arriving at Fiscal Estimate

Under current law, if two or more school districts consolidate, the amount of state aid paid to the new school district in each of the succeeding five years may not be less than the sum of the amounts paid to the consolidating school districts in the year before the consolidation. The department certifies district state general equalization aid each October 15, as required under statute.

This bill proposes to change s. 121.05(3) to reflect that consolidation aid be paid on the eligible prior year aid, rather than the actual aid payment since this aid amount is subject to adjustment/correction in the subsequent year if errors were included in district data used to calculate its general aid.

State Fiscal Effect

This bill has no state fiscal effect. However, this bill will allow for reflection of aid adjustments due to errors in the year prior to consolidation and will protect all school districts from seeing a potential aid reduction should the consolidation aid be paid incorrectly.

Local Fiscal Effect

None.

Long-Range Fiscal Implications