



## Fiscal Estimate Narratives

DPI 11/3/2009

LRB Number	09-3610/1	Introduction Number	AB-0538	Estimate Type	Original
<b>Description</b> Awarding grants to school districts for pupil academic achievement, allowing the results of pupil examinations to be used to evaluate teacher performance, and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

This bill requires the department to award grants to school districts for pupil academic achievement using \$1,000,000 in existing funds under s. 20.255 (1), Stats., appropriations used for department operations. The bill creates a new appropriation from which to pay the grants.

State fiscal effect:

The appropriations under s. 20.255 (1), Stats., are for the costs of the general operations of the agency, including program administration and operation of the state schools for the deaf and visually impaired. Expenditures are typically for such items as state employee salaries and fringe benefits, supplies and contractual services, space rental, and permanent property acquisitions.

The bill allows the department to transfer moneys from any appropriation under s. 20.255 (1), Stats., to create a new \$1,000,000 appropriation to fulfill the pupil academic achievement awards. The funds appropriated under s. 20.255 (1), Stats., come from a variety of sources, including program revenue-federal (PR-F), program revenue-service (PR-S), segregated revenue (SEG), program revenue (PR) and general purpose revenue (GPR). Because most of these sources are earmarked for specific activities and may not be used at the department's discretion, it appears the only viable fund sources for the \$1,000,000 from would be GPR or PR as follows:

1. If the department re-allocates the \$1,000,000 from GPR, it would most likely result in layoff of at least 10 department staff. Of the \$27,269,100 GPR available to the department in FY10, \$11,765,700 is allocated to support the state schools for the deaf and visually impaired, \$689,900 is allocated to pay for those schools' energy needs, \$1,076,200 is allocated for principal repayment and interest, and \$3,106,500 is allocated for pupil assessment. The \$10,630,800 remaining is allocated to support the salary and fringe benefits of approximately 94 FTE staff working in the GEF 3 building, the reference and loan library, and various WEOP offices located throughout the state. The re-allocation of \$1,000,000 to fund a new appropriation would result in a 10 percent reduction. The department could not sustain such a decrease without laying off staff. The reduction in staff would make it difficult to administer this new grant program that calls for the verification of various data requirements to determine the eligibility of a possible 425 school districts.
2. If the department re-allocates the \$1,000,000 from PR appropriations, it would most likely result in increased fees charged to individuals requesting high school equivalency diplomas and certificates of general educational development, educator licensure, publications, library products and services, and school lunch handling charges.

The department would incur additional costs in administering the new grant program related to district data verification, review of applications and administrative rule promulgation.

Local fiscal effect:

School districts may, but are not required to, apply for a grant under this bill. Therefore, any fiscal effect on a school district relating to the additional testing or collecting and reporting of the required data to receive such a grant is permissive and indeterminate.

### Long-Range Fiscal Implications